

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(Called by Mayor Guinta)**

April 10, 2007

4:30 PM

Mayor Guinta called the meeting to order.

Mayor Guinta called for the Pledge of Allegiance, this function being led by Alderman Forest.



A moment of silent prayer was observed.

The Clerk called the roll. There were thirteen Aldermen present.

Present: Aldermen Roy, Gatsas, Long, Duval, Osborne, Pinard (arrived late),
O’Neil, Lopez, Shea, DeVries (arrived late), Garrity, Smith, Forest

Absent: Alderman Thibault

Mayor Guinta stated at first just wanted to let everybody know that Alderman Gatsas last night had requested if we could provide you a budget summary sheet with the health numbers broken out. We have just handed that out so if you’ll refer to that sheet...just a quick explanation. The agencies area is now reduced down to \$88.8 million so that has health insurance, dental and life insurance removed from it and then the non-departmental items you’ll see a new line item for health insurance. Last year’s number was \$9.9 million...this year’s number is \$10.6 million and then under the dental and life...last year’s number was \$879,000 and this year’s number is \$920,000. So it gives everyone a better perspective of the health care costs that we are paying and it does remove it from the agency line items so those numbers have not changed we’ve just pulled out the health numbers and the dental and life just to give you a different look.

Alderman Gatsas stated maybe I wasn’t clear enough with what I asked for. I also asked for Worker’s Comp to be pulled out of there so that that would be a set alone because there is no control of Worker’s Comp and I think the other one that’s in there is CGL.

Mayor Guinta stated okay we can pull those out...CGL and Worker’s Comp all in the agency line item budget. I do feel that a department head does have a responsibility to try to manage a department in a proactive way to ensure that there’s a healthy environment. So, I think they can actually play a role in managing at least an environment that might be conducive to less injury. We can pull that out so I would be happy to pull it out.

Alderman Gatsas stated I don't question whether they can manage it. The question being that we're self-insured for it so I don't think it's a relevant number to them but they don't understand what claims are and that way it gives us a clearer picture and I assume the medical costs are the City side costs and not contributions or not gross amounts with employee's contributions.

Mayor Guinta stated correct. This is just the employer contribution, the City contribution only.

Alderman Gatsas stated so this side on the health insurance this year even though it's showing an increase does that also accommodate that the employee's portion would also go up.

Mayor Guinta stated yes it does.

Alderman Gatsas stated and this is the balance it would remain on the City side.

Mayor Guinta stated correct.

Alderman Gatsas stated that's the un-negotiated amount...that's what we were initially told?

Ms. Virginia Lamberton, Human Resources Director, stated the percentage that the employee pays.

Alderman Gatsas stated the health insurance that I'm looking at...the \$10.617 million.

Ms. Lamberton stated that came out of...Bill Sanders I believe did the work but I believe it came from all the proposed budgets.

Alderman Gatsas stated okay let me try the question again....that's with the assumption that there is no...the negotiated contract that's now in place that's being negotiated...that's not relevant of that number.

Ms. Lamberton stated no. What that represents is an increase of 4.5% for FY07's current health insurance numbers.

Alderman Gatsas stated okay thank you.

Mayor Guinta stated we're going to accommodate a couple of quick requests from department heads...Tax is already here ready to go. So, Joan, the floor is yours.

Tax Collector

Ms. Joan Porter, Tax Collector, stated I guess the only reason I'm back again this is because I'm not an enterprise yet...the Mayor's budget removed one full-time person from our complement. It also has the 4% reduction, which I understand will be returned if we have no vacancies during the year and we don't anticipate any. There are several line items that anticipate will be a problem so we'll either need to do transfers, if possible, or request money from contingency on those line items and then there's the issue of the new motor vehicle program which was inadvertently left out of CIP...my understanding is it will be back in at CIP but that's a \$145,000 item and if we don't have the money for the new motor vehicle program. We risk losing municipal agency for the City which for those of you who are not familiar with that term...what "municipal agency" basically means is that we do the state portion of the registration in our office and for that we're given by the customer \$2.50 per registration and so that's a revenue of about \$200,000 right now and we would lose that but worse than that we would lose of the convenience of doing the state portion for the customer in our office so once again they would have to go to State Motor Vehicle once they finish the City portion and I only mention that so you know what it is but my understanding from Alderman Garrity is that it will be back in the CIP budget. Losing a full-time position with the new motor vehicle program coming on we anticipate could be disastrous. We obviously won't know that until that comes. If it is the Board's wish to leave that full-time position out of our complement then I would at least request that we be allowed to keep it there even if it is not funded just in case come next January, February...whenever we go onto this new motor vehicle program if we find we really do need a person we've been told throughout the state that when they've gone on to the new motor vehicle program they have had to increase staff and that the lines have been longer. For the revenue side the Mayor added \$250,000 to my estimate for motor vehicles. Currently, right now, motor vehicles is \$81,500 behind last year through March of this year. The estimate for this year right now and I'm not counting April because we only have a few days in April in there...right now, we're down \$4.8 million for this year...last year we collected \$4.2 in that same three months. So, right now, for April, May and June we're down \$4.8 million because we obviously haven't collected that and last year in April, May and June we collected \$4.2 million. So, is it possible that we'll get the \$4.8...it's possible. It's also possible that we're going to be somewhere in between the \$4.2 that we collected last year and the \$4.8 that we estimated so we may be less than what we predicted for this year which is why I was very low on what I added to motor vehicles for this year. I also had taken out and the Mayor left out the revenue of \$5,000 for data processing...this is something I had discussed with you once before and at the next Board meeting I probably would like to have you decide, to vote on actually eliminating that fee of \$5,000 that we collect from about five different people...they pay for a file and they electronically pay taxes to us because they purchase the file. If we remove the fee I know that there are a lot more smaller institutions...one comes to mind immediately who uses lock box because when they have a lot of customers that they use lock box because and they have a lot of customers and they use the lock box because they won't pay the \$500 per billing for the file. For us it would be easier and cheaper if we end up having more of these smaller

banks use the file and send the payments electronically...send the reportings electronically it's all done through Info Systems. Right now our tax delinquencies are about 2% of the warrant which has been historically that way I'd say for ten years. So, I don't see that our tax delinquencies for this year for 2006 are any different from other years. I don't see a red flag or a problem at this point anyway. And, then my final statement would be we have a lot of staff efficiencies in our office. We had to hire 15 people in our office some 13, 14 years ago and we're down to 13. I think we have 12 authorized at this point and those efficiencies...really losing two people, three people in a small office is a lot and I can attribute that wholeheartedly to the fact that Info Systems has updated our systems to such efficiency, they've eliminated many errors, they've sped up the process and I think that we need to continue to put the funding into Info Systems to keep these efficiencies up. They have definitely made a difference in our office. Another example is the on-line registration. We've done about 8,000 on-line registrations since January of last year...that sounds like a lot to you at the moment...it's really not a high percentage but it is 8,000 that we didn't do in the office or by mail and in this way the customer out there who is looking to reduce the tax burden for them can definitely help and in our office I can tell you the customer can help by mailing in their registration, mailing in their taxes or doing on-line registrations because the less you draw on human resource people the more efficient we can become and so the customer can help by participating in doing those remote actions then mailing in a registration, doing it on-line and in that way eventually somewhere down the line we can reduce staff. We have reduced staff over the years. I think that's pretty much my presentation...if anyone has any questions.

Alderman DeVries stated within the letter that you sent us when you spoke of the motor vehicle program not being funded I'm just hoping you can elaborate just a little bit more.

Ms. Porter stated on the program itself.

Alderman DeVries stated what you're specifically addressing not being funded beyond the...we just heard the manpower but the staff person.

Ms. Porter stated the new motor vehicle program that's coming is one where the state has required that anyone who is a municipal agent needs to go on-line with State Motor Vehicles and go onto what they call "MAP" and we have to go onto that program at some point in time. They have been setting deadlines and setting deadlines, they've been patient with Manchester because we're the largest. I think it's also worked to their advantage to put us off for a while while they work out kinks but we do 115,000 a year and right now Motor Vehicles has to manually key those registrations. We do the work in our office, we physically mail the paperwork up to Concord and they feed it into their system. What they want is for us to be on-line with them so this is automatically done at the end of the day. So, it's actually done immediately and so they're pushing for everyone to get onto this new motor vehicle system and they have given us a deadline of at least giving them a date that

we're actually going to be active on the system, they asked us to let them know by January '07 and the best we could do was tell them we absolutely cannot go on the system before July 1st because we don't have the money and then once we have the money then we need to look into software to write an interface for Manchester Motor Vehicle System to the State Motor Vehicle System. We have done some preliminary work on our RFP's...actually Information Systems did the preliminary work on the RFP's and that's where the estimate came from. They did back about \$32,000 out of that estimate for now because we don't need some of the printers until the following budget so it's anticipated that motor vehicles won't have all of those printers within the next budget so we'll be able to delay that to the following year.

Alderman DeVries stated so let me make sure I caught all the key elements within that. By July 1st you need to have some level of funding in order to customize the software, if you will, to Manchester's needs, the state software and then I didn't hear the timeframe that you hope to have the next level of implementation.

Ms. Porter stated I think Information Systems was saying that if we have the funding for July 1st that it would probably be the end of this year then we would be able to get everything going but that will depend on the vendor that we choose too.

Alderman DeVries stated so January 1, 2008.

Ms. Porter stated hopefully January 1, 2008.

Alderman DeVries stated the actual amount of money that you expected to see in Info Systems budget would have been what?

Ms. Porter replied \$145,000.

Alderman Lopez asked what was your number \$16,957,400...is that the number you submitted for revenue?

Ms. Porter stated right.

Alderman Lopez stated the Mayor added \$250,000. I know that it's possible but what methodology did we use in adding more than the Tax Collector?

Mayor Guinta replied essentially the generally anticipated growth of the City that while I agree she should be conservative and she has been I think that a modest \$250,000 increase in revenue based on just modest growth is more than achievable. As a matter of fact I think it will probably be higher than that but I wanted to be conservative.

Alderman Lopez stated okay but that's your number not hers.

Mayor Guinta stated that's correct.

Alderman Roy stated Joan you talked about the on-line motor vehicle registration...I'm going to bring up a similar but subject from the past of on-line property tax payments. What would that do to your department as far as you're already on-line for motor vehicles...I know the hold up last time was regarding fees to property taxpayers...what would that do manpower wise and what is your opinion on that.

Ms. Porter stated it's hard to say because I'd have to see how the system works. I can tell you which we had explained to the Mayor when we first went on-line with motor vehicles. The motor vehicle program we're using on-line right now is actually not easier than processing a piece of mail for us, it's actually more work because we print a check. They're working on getting out of that mode and trying more ACH so that we're not actually printing a check but it does...processing a piece of mail is exactly the same as processing this on-line registration so we do occasionally get e-mails from people who think they should not pay \$1.85 to do this on-line because they're saving us all this work and all this money. At the moment it's not saving us work, however, we're trying to promote that on-line registration the best we can because we believe we'll have a better way of doing it. When we do have a better way of doing it then it will reduce staff but right now we have to take a person off the counter who is dedicated to doing that registration for the day...it doesn't take all day. We had one particular day I think we had 120 and it took a long time during the day to do this but most of the time we don't have that many in a given day so it goes quickly but we're committed to making sure anyone who register on-line today we process it tomorrow and we mail it tomorrow so they have it the next day and that's because we want positive feedback on the system, we want people to like it and we want people to use it. But, right now, we actually have to sit a person down who has to pull that in from the vendors software to our software and then approve all of those payments, then print the check and then go ahead and process it manually the same way we do a piece of mail or at the counter and we still have to staple a decal to the registration after we print it which is a State Motor Vehicle issue at the moment. Again, they're working at having the decals being built into the registration, which will be more efficient. Now for taxing if it were the same type of situation where we had to print a check and we had to do those sort of things if it involves us interfacing it's not going to save us a lot of time but again it could save us time in the line because if you're dealing with this at a desk as opposed to interaction with a customer you can do more, it's faster.

Alderman Roy stated I know Jennie's in the audience and when we get to her I may ask...how far away are we from doing this ACH...printing a check is somewhat inefficient, extremely inefficient...how far away are we?

Ms. Porter replied I don't know...Jennie would be the better one to answer that. We've been talking about it regularly, we talked to the vendor that we have right now has talked about going to ACH, has talked about credit cards...we're constantly discussing it and trying to improve the system but it takes a while just to get people on the idea of doing it on-line so even though it's not the best method it's a great way to get people to get used to going on-line to do their registration and it's done.

Alderman Roy stated as you said the efficiency of someone sitting at a desk is far greater than someone waiting for the next person in line and saying "next" and then the inefficiencies of...

Ms. Porter interjected you're waiting for someone to write the check and you need to gather information...it just takes more time.

Alderman Roy stated I would like us to look into in the future...I know there was some discussion last time it came up about property tax payments on-line. It seems you can do your mortgage, you can do your credit cards your banking everything...now I'd like to look into those efficiencies for the City as well.

Ms. Porter stated again when we looked last year between lock box and the files that we receive...the files that we receive are absolutely the best way to go because those files come into Info Systems, they match it to our system, they update the person's property and in most cases right now these companies are physically mailing us a check overnight. So, when we get that check the next day we give Info Systems the authority to update our files and we have two, three, five thousand properties updated like that. So, that's obviously the best way to go. It doesn't involve human interaction at all and we're hoping that we'll be talking to the Finance Director about the possibility of not even waiting for that overnight check maybe just an electronic transfer.

Alderman Roy stated I was going to mention that check overnight also gets into our bank and starts earning interest the next day as well. So, not only is it updated quicker we're gaining the revenue from that as well. Thank you.

Alderman Forest stated I know you have put out or you were doing interviews a couple of weeks ago to hire a part-time or a half-time person. What the Mayor gave you for a salary budget this year will that cover that person or would you have to...

Ms. Porter replied we believe that person's in there...that was one of the things we were going to discuss with the Mayor...we have a meeting on Friday but from what we looked at we believe the part-time person is in there but there's the 4% reduction and we don't know what that actual dollar amount...the 4% reduction is...we're assuming that the part-time person that we got approval to fill is in there and we did hire someone starting next Monday.

Alderman Forest stated the comment you made about somebody saying that you're charging them \$1.85 for going on-line maybe you ought to tell them that if they go between Shaw's and Richdale that there's probably \$1.10 difference between a gallon of milk and it's called a convenience store at Richdale...so it's convenient to the person.

Ms. Porter stated the \$1.85 if you think about it...the gas to come down here and then to park...it's going to cost them \$1.85 anyway so if they are of the mind to do it on-line it really does work quickly and we haven't had complaints about the process we've only had complaints that they don't think they should pay anything.

Alderman Shea stated Joan just to review the revenues...you have \$16.947 million and you mentioned that you're about 4.8% less than that right now is that correct? In other words how much.

Ms. Porter stated for motor vehicles we this year compared to last year right now through the end of March we're \$81,000 behind last year's registrations and this year to our estimate for this year if we don't count anything that we've taken in in April so far and we've taken in about \$300,000 in April just to make it even we're not counting April, May or June. Last year we took in \$4.2 million in April, May and June. To make our estimate for this year we need to make \$4.8 million.

Alderman Shea stated last year I remember Alderman Lopez came up with an additional \$3.00 from \$2.00 to \$5.00 per car registration that was not accepted. Would that have allowed you to get revenues up to the required amount if in fact that were realized.

Ms. Porter stated it would have increased the bottom line of revenues but not this number that we're talking about because this number that I'm talking about is just the permit fees on registration. So that fee is a separate fee which is in...I don't know if you have my revenues there but.

Alderman Shea stated we don't have a breakdown of all of them...probably in the book but I don't have it.

Ms. Porter stated that would be in.

Alderman Shea stated I don't want you to draw too long on that but my point was that sometimes when suggestions are made they obviously can realize certain deficiencies in our City government that would in our judgment help taxpayers by asking them to pay a little bit but benefit a lot in the final analysis.

Ms. Porter stated had that fee been approved we do 115,000 so that would have been three times the 115,000.

Mayor Guinta stated just so that everyone understands under the Tax Collector's tab there is a breakout of all of the different revenues...under tab 15 and it's page...the 3rd page under that tab.

Alderman Smith stated I was going to say the same thing on revenues but my consensus is that we should get together with the Finance Department because I'm on the Committee on Accounts and I'm looking at the figures we have up until March and they're quite drastic from what the projections are at the end of the year for your revenue from \$16 million plus and I don't think you're going to make it and I would suggest that maybe if you could ask the Finance Department to get their monthly statement done at the end of this month so we can have some idea of what you're revenue's going to be for the year. The Committee on Accounts doesn't meet until the end of the month and we don't have anything for April at all and if we could get a consensus on what the potential is on your revenue it would help us out because what happens is I find out that when we pass the budget everybody says well you inflated the revenues. Well, I don't want to do that I want to have something exact and I think that's the only way to do it. So, if we could request the Finance Department to do that, your Honor, I certainly would appreciate it.

Ms. Porter stated our accountant does a spreadsheet daily on what we took in for revenues so I know on a daily basis what we've taken in...is that what you're looking for?

Alderman Smith stated I'm looking for how close we are to get that \$16.947 million and I don't think you're going to get it for the last...

Ms. Porter stated on May 1st we can tell you what we took in for the month of April but May and June we need a crystal ball.

Alderman Smith stated but you'd be much closer and we wouldn't be speculating as much.

Ms. Porter stated what we tend to compare is how did April last year compare to April of this year because a lot of it depends on a fleet may have been done at the end of March one year and the beginning of April the next year so the months fluctuate somewhat but usually you can kind of tell if they're going to go way up or way down.

Mayor Guinta asked is that information not being provided currently to in Committee?

Alderman Smith stated we do have a Committee but it's on a monthly basis so we're like a month behind.

Mayor Guinta stated I see okay.

Alderman Osborne stated my question has been answered you can move it along.

Alderman O'Neil stated not to dwell on the revenue or discussion could you put together a one-page to summarize and showing a little history especially the last few months of the fiscal year and just the method to how you reached your revenue figures and then just a comparison of the last few years where April, May and June have been. What is your authorized complement?

Ms. Porter replied authorized is 11 full-time and one of those is paid by EPD...so it's not in this number...that's why I always have some confusion. We have 11 full-time positions in our office but one of them is paid by EPD so it's not in this salary number and then we have two part-time people...that was authorized for this year.

Alderman O'Neil asked what is the actual today?

Ms. Porter replied the actual today is 10 full-time...today we have one part-time, Monday we'll have the second part-time person.

Alderman O'Neil stated in the Mayor's recommended budget where will your staffing be.

Ms. Porter stated the Mayor's recommended was 10 full-time, one paid by EPD and two part-time.

Alderman O'Neil stated so there is the position that was not funded by the Mayor is actually a vacant position.

Mayor Guinta stated before she leaves the motor vehicle system that was referenced is going to be in CIP so that's not going to be an issue. Thank you very much.

Welfare Department

Mr. Paul Martineau, Welfare Commissioner, stated I believe you have my comments for my department. Basically I indicated that the salary and benefits line item were \$13,469 short, however, I feel secure that we'll be able to return money next year. The other thing was the Mayor's revenue was \$75,000...I was conservative I put \$50,000...presently we're at \$58,000...I think we can accomplish that. So, I can live with the budget that's been given to my department.

Alderman O'Neil stated Paul your authorized complement.

Mr. Martineau replied there's 11 of us.

Alderman O'Neil asked is it a full complement today?

Mr. Martineau replied yes.

Alderman O'Neil stated in the Mayor's budget 11 positions are funded.

Mr. Martineau stated yes except we're short as I indicated in salary and benefits line item by \$13,469 but I can cover that.

Mayor Guinta asked is there anyone else. There were none.

Alderman Lopez stated, your Honor, we have two from last night that we promised would go before.

Mayor Guinta stated you're right I apologize.

Revenues

Alderman Gatsas stated I'm looking at last year's budget book and in that budget book and I'm just taking Tax Collector's office just so that I understand how these numbers are derived...I'm looking at what the Tax Collector's estimate for revenues were last year and she was at \$16.712 million...last year's estimate.

Mayor Guinta stated the department head estimate for fiscal year 2007 which was provided to the BMA in March of 2006.

Alderman Gatsas stated then your recommended is next to it and that's \$16.887 million and then I look at the book that was just provided to us...the red one...and that has a number of \$1,947,400.

Mayor Guinta stated which is the adopted number for '07.

Alderman Gatsas stated so that adopted number does that include the \$3.00 registration fee or does it not because obviously that registration fee discussion didn't come up with your recommended or the department's request, however, this number's higher than either one of those. I'm just looking to see how we got to that number which is higher than yours or higher than the department's.

Mayor Guinta stated Randy will confirm but I think what's adopted by the Board and what's sent up to the DRA (Department of Revenue Administration) are probably two different numbers.

Mr. Randy Sherman, Deputy Finance Officer, stated in the \$3.00 auto registration fee was actually under parking not under the Tax Collector. The only portion of that that shows up under the Tax Collector's budget is their administration fee that they get but that was under Parking and then the dollars that Parking was then sending back to the general fund we're actually under Finance but the numbers that are reflected in the budget book for the '07 budget were those numbers that were adjusted for DRA. So, if you look under Finance and you're looking at how much would be coming back from Parking you're going to see the number that was actually sent to DRA...so you've got a comparison against...not necessarily what was adopted last June but what the current modified budget is.

Mayor Guinta stated the \$16,947,400 was what was approved and sent up to the DRA.

Mr. Sherman stated those are Tax Collector's DRA numbers correct. But, again the auto registration is under Parking, not under Tax.

Alderman Gatsas stated I'm just...then the number, the sheet that we vote on at the end of the budget cycle is a number that is on there for revenue because the one I believe that we have before us that was the final one was \$16.887...let's just use for example the Tax Collector...that was the number that was used in revenue. Now, how does that change for the \$16.947 million and I understand you're going to say it's based on the DRA but why would we be looking at that number there?

Mr. Sherman replied to be honest with you I can't tell you what that \$50,000 change was between Tax's June number and Tax's DRA number...I can go back and tell you what that is but I obviously don't have that with me.

Alderman Roy stated Randy I guess I'm going to try to simply this as much as I can because we had this conversation last night about what goes to Concord versus what we approve in June so there's basically four numbers that are presented...the Mayor's proposed budget, the departmental requests, what I would call a modified budget approved by BMA and then what goes to Concord that actually sets the tax rate...is that somewhat over simplified but somewhat correct.

Mr. Sherman replied somewhat of both I guess. What you appropriate when you're passing those resolutions...those numbers go to DRA. The revenues are only an estimate at this time. The tax rate...the valuations that's only an estimate at this time. When we actually go up to DRA in October or early November that's when they are in essence finalized.

Alderman Roy stated but for argument debate purposes the third column in our revenue pages of our budget book run the 29th of March of this year under FY2007 modified budget is that the number that went to Concord or was that the number approved by this Board last June?

Mr. Sherman replied on the revenues it's the number that went to DRA.

Alderman Roy stated so those are confirmed tax rate setting DRA numbers.

Mr. Sherman stated correct.

Alderman Roy asked how about on the expenditure side?

Mr. Sherman replied the expenditure side...they are DRA numbers but bottom line they will tie to what you appropriated. Again, there may be some movement between line items or if you're done a contingency obviously contingency goes down if the department increases but bottom line they are what you appropriated last year.

Alderman Roy stated okay I guess again I will reiterate my...if we could get the information that went to Concord that adjusted the budget that we passed in June I think that will show yet again another set of numbers that this Committee and this Board has been using.

Mr. Sherman stated if you look at the cover sheet that comes with your budget this year...your budget document this year you've got the budget, you've got an expense column and a revenue column...the expense column is the same as you adopted last year. The revenues are less than you thought you were going to receive when you adopted the budget.

Alderman Shea stated the logical contention is Randy or the Mayor...this year it's \$17,202,400...to round it off we could add another \$50,000 next year to round it off to \$17,257 if we so wished to jack up a little bit the revenues in order to kind of meet whatever we want. That's exactly what you're saying. In other words at the last minute we can...either the Finance Officer or whomever is doing this can probably look a little better on the tax rate...add a little bit more here, tweak it a little bit so that we can add a little bit more. If in essence we approve a budget say June 5th but between June 5th and November on the revenue side there's a little bit more added to each revenue I order to say well it won't make that much difference...that's exactly what I'm thinking. I don't know if my logic is correct but that's what I'm thinking...what's an extra \$50,000 in revenues after all it looks better on the DRA report that we give to them. Is that what has happened in the past or is this something that's say an aberration.

Mr. Sherman stated you come up with what you're anticipating are you non-property tax revenues. It's just an estimate in June.

Alderman Shea asked who's estimate is made in November...the Board of Mayor and Aldermen's estimate, the Finance Officer's estimate, the Mayor's Office estimate.

Mr. Sherman stated it ultimately comes down to the Finance Officer signing that form...that days comes and that's why last year we pulled out \$2.8 million worth of revenues.

Alderman Shea asked how do the Aldermen know if it's an estimate made by the Finance office as to what we're actually voting on if it's an estimate made by the Finance office after we pass a budget. I guess what the concern of the Aldermen is are we voting for something on the one hand but are different figures presented on the one hand but are different figures presented to the DRA on the other hand by an estimate being made by the Finance office without the knowledge of the Aldermanic Board.

Mr. Sherman stated I guess I would say no, Alderman. Last year we had several meetings on the fact that revenues were going to be short. I believe the Mayor even established a committee to make recommendations to the Board to cut, to offset those revenues that were going to be short. I don't think it was done without any knowledge of...

Alderman Shea stated I can tell you right now that there's no one here that would know the revenues that were made to the DRA last year because Mr. Gatsas who is very knowledgeable about figures will say he didn't know about it and the question is if he didn't know about it then not too many other people knew about it.

Mr. Sherman stated I don't believe that's what he said.

Mayor Guinta stated I need to respond to this. I think I understand what you're trying to say, however, in my view there's no time when the Finance Department is not communicating with this Board about revenue estimates. Last year, for example, I projected in my budget I think a million dollar less than what was eventually adopted by the Board of Mayor and Aldermen...that had changed through the time the budget was adopted and the time that we have to send our numbers up in October/November to the DRA. During that period of time I had talked to this Board several times about shortfalls and revenue projections and Randy is correct I did put a committee together to identify some expense cuts to try to meet the revenue shortfall projections. Some of it was adopted by this Board; some of it was not adopted by this Board. But, I don't think at any point this Board was not aware of it. We did talk about it several times throughout the period when the BMA adopted a budget and mid-October.

Alderman Shea stated your Honor you said you selected a Committee...who was on that Committee any Aldermen on that Committee?

Mayor Guinta replied no.

Mayor Guinta stated there was a committee that I put forward...but this board had talked about it several times, Alderman. In public session I had reiterated my concerns about

adopting a million dollars more than what I was projecting which is what this Board did...but let me finish...after that process as we had meetings I had talked about the concerns of the revenue shortfall moving into the DRA adoption process.

Alderman Shea stated nobody your Honor is questioning whatever. All I saying is it behooves people that don't know as well as those that should be informed that if there is changes made then the changes should be known by the Aldermanic Board...that's all I'm saying.

Mayor Guinta stated I agree with you.

Alderman Shea stated so if it's changed in November or prior to that being sent up there it behooves the Finance Officer to say and by the way the figure that the Mayor has submitted and has agreed upon in June the change of the figure is about \$100,000 less or more...that's all I'm saying. From that point of view I think it would clear up any misunderstandings. Thank you.

Alderman Lopez stated I think it's a very good point of discussion. The number that was in the Board's budget was the same number that was submitted in the budget \$16.947 million. I think if I heard Randy correctly the \$300,000 that was vetoed plus the \$300,000 that didn't materialize that money was in the Parking Division and so what happened in the Parking Division is that they were calculating over \$2 million coming back to the general fund which never materialized. So, that's what happened in that particular area but most of the time the numbers in revenues are the numbers that are approved by the budget if you go through and check out some of the numbers you'll see that most of the revenue that's been accounted are the numbers that we approved. Randy is indicating something where they're playing around...maybe that's the wrong word...but moving numbers around was in the Parking Division because it went into the enterprise system and they over inflated revenue. Thank you.

Mayor Guinta asked Alderman Gatsas did you have a follow-up?

Alderman Gatsas replied no. I was just looking for the sheet...if Alderman Lopez is telling me that \$16.947 million was a number that was in his budget last year that we voted on or that was approved...not that we voted on but that was approved...then I'll accept that. I was looking and I couldn't find it in any spot in any one of these books.

Alderman Lopez stated the book...

Alderman Gatsas stated it was increased so now I understand that during the budget process you increased revenues to \$16.947 million or whatever budget was passed...that's the number that was there.

Mayor Guinta interjected no...let me just clarify that. The \$16.9 million...the tax number was not increased. My number and the Aldermanic number was the same. The overall revenue number was increased.

Alderman Gatsas stated the number you came in with your recommended budget was \$16.887 million...

Mayor Guinta stated for tax.

Alderman Gatsas stated no for your budget that you presented and Alderman Lopez's budget that finally passed he had a revenue number of \$16.047 million. Now I understand we're all on first.

Mayor Guinta stated fine let's get to second. One final.

Alderman Roy stated Randy over those two numbers what went to Concord and is what went to Concord was is listed in the 2007 modified budget book.

Mr. Sherman stated what went to Concord was the \$16,947,400.

Finance Department

Mr. William Sanders, Finance Officer, stated if I might take two minutes just to speak to the issue that you were just discussing. It has been the practice at the School District for all the time that I was there that the final MS forms that are filed with the state in October are reviewed and approved by the School Board and I would expect that...not expect but during my tenure as the Finance Officer however long or short that may be that I would propose to do the same thing here and you will see the MS forms before they go to Concord and any deviation from what was in your approved budget to what's on the final forms...it has an explanation for you and your input. But not to cast anything on the past but that was a practice previously at the District and is still a practice and I would expect to continue it. What that said you have a copy of the letter dated April 5th that I sent to you regarding the budget for the Finance Department. There is nothing really different from some of the other smaller departments you've heard. Our budget basically has a 4% salary task in it that is worth about \$30,264. The Finance Department has an approved complement of 15 people that includes 12 full-time and three part-time. We currently have a full complement today. We have no open positions. Accordingly to achieve the Mayor's salary budget without dipping into the contingency reserve we'll require some employee turnover in the form of transfers, resignations or retirements. Of course retirements must occur early in the year for us to generate any savings because of the payment of accrued vacation and sick pay. In the prior year's turnover in the department was good I think. People did move through and move out to the City departments but with the situation where the City department's now are

going to try to manage their vacancy positions as well I think that transferability of folks from City Finance to the city departments will be somewhat more difficult and the only turnover the Finance Department had last year or this year I stand corrected was Mr. Clougherty's retirement in November other than that the entire complement has remained in place. Insurance and benefits budget was also reduced due to the 4% factor. Our budget also includes about \$4,000 less for travel leaving us a budget of about \$10,000...we believe that's manageable. We believe all of our cost categories appear achievable assuming that we don't have any major significant equipment failures or issues because our equipment budget has been eliminated for 2008. I'm not aware of any issues on that point at this time. On the revenue side for the Finance Department we are about 2.2% lower in next year's budget than we are this year...that's a decline of about \$225,000. The major reason for the decline is the reduction in the expected transfer from the Parking Fund of about \$475,000 that is going to be more consistent to with what we're going to realize for this year at the end of the day. That \$475,000 reduction in the Parking transfer is offset by a projected \$170,000 increase in interest income. I should point out that although the City has been achieving interest income increases over the past few years the current economic environment that we're in likely will not result in higher interest rates going forward and could conceivably result in lower interest rates over the next year than we have today and that would be challenging then to increase our interest income by \$170,000 in a steady cash environment where the interest rates are declining but we will try our best. That concludes my comments...I'll take questions.

Alderman Roy stated I don't want to prolong this evening by asking a bunch of questions but I do have some concerns. First off on the 2008 budget summary we got no where is the technology reserve of \$250,000 listed in the non-departmental items.

Mayor Guinta stated it's in the MER.

Alderman Roy stated it is in the MER, okay, thank you your Honor. The second question...the reduction in Airport reimbursement to the general fund from \$50,000 to \$30,000 on the revenue side and on the same vein the reduction in monies from Trust Funds for \$475,000.

Mr. Sanders stated the Trust Fund decline is the Parking Fund that I had mentioned, the \$475,000 on the Parking Fund. I do not have at my fingertips an explanation on the Aviation...I could get that to you later.

Alderman Roy stated that would be fantastic.

Alderman Shea stated I just have a question about when people go to attend meetings...what committee do you submit the results...let's say somebody goes for an accounting meeting...do you make any kind of statement as far as how much it costs or anything like that...does your department do that? I don't know of any information that I received when I

was on the Accounts Committee, is there some accountability there or does somebody come to you and say I want to go to Florida to attend a meeting with the HTE or whatever and then they go, nobody knows they go and they come back, etc.

Mr. Sanders replied I don't exactly know what the reporting is on that at the moment.

Alderman Shea asked could you submit a reporting of that so that some committee might receive some kind of feedback. I'm not accusing anyone of abusing it don't get me wrong but if there isn't checks made then some people can take advantage where others might not...in other words it should be something that's known by everyone so that everyone has an equal amount of input into the process, okay.

Mr. Sanders stated yes, Sir.

Mayor Guinta stated I believe in the past it was sent to Accounts if that has stopped we will make sure that starts up again. I don't know if it's been presented to the Board yet but our internal auditor is doing a review of the Travel Policy to make additional recommendations and I know department heads are looking at it because I'm seeing e-mails.

Alderman Shea stated when you were on Accounts remember we raised that issue and it's still being raised.

Mayor Guinta stated yes...we'll make that change.

Alderman Lopez asked Bill have you had a chance to look at the entire budget as far as numbers, contractual obligations, step increases, longevity...as the chief Finance Officer working the numbers been proposed.

Mr. Sanders stated I certainly had discussions with various department heads...Ms. Lamberton regarding the step increases and that sort of thing and how that was incorporated in the proposal to the Mayor. I had made a couple of comments that maybe I would just share in response to your question I'm not sure they'll be completely on point to what you're looking for but the expectation that I might get this question. I'd made the following comments on the Mayor's proposed budget. First off on revenues looking at it from the City side the revenue projection for next year is about \$600,000 higher than the revenues this year...I'm dealing in the aggregate obviously here...these revenues appear attainable although they assume I think it would be fair to say a favorable interest rate environment that I talked about earlier on interest income. I think a favorable continuing growing economy, home construction, new car registrations that I think were talked about when the Tax Collector was up here obviously to the extent that we have some slowing in the economy and interest rates don't cooperate it would be challenging. I would suggest another area that might be a problem on the revenue side for the City conceivably would be the chargeback

revenue at the Highway Department could be at risk because of the School budget cuts and I could expect that Schools would use chargebacks potentially. On the other hand I could say that any revenue missed because of chargebacks hopefully could at least partially be offset by lower expenditures at the Highway Department not doing the work to bill for they have lower expenditures. I think the School revenues are reasonable to me with the one exception of the Equitable Education grant which is at this point obviously an unknown...we have an unconstitutional law but that's the only law we have right now and we're using that number and then the Governor has made a proposal that...there are others here that know better than I what the chances are for that but I do recall a year a couple of years ago where the revenue we got from Equitable Education was different than the number that the Aldermen were thinking we were going to receive when the budgets were approved and that ended up hitting on the City side as I recall. On the expenditure side I guess the primary focus is what you've already heard is that the 4% salary benefit reduction and the 15% overtime reduction is going to have to be the primary focus of all of the City departments in managing their attrition and obviously I'm sure they'll be talk of the Mayor's list of managing costs in the City. The value of that reduction in the budget is about \$1.9 million if you look at all department aggregated. If you look at this year and this year is not over but right now we would expect the salary line right now to probably generate a surplus this year of about \$1.2 million and we would also expect that our health care line will probably be in surplus somewhere between \$300,000 and \$400,000. So, that's the total of those two lines of about \$1.6 million which is close to what the Mayor's total value of the 15% reduction is. I'm stepping off a little bit here about how to achieve this...I haven't talked to the Mayor about this at all but if we could have a surplus on the expenditure side this year that we could pre-purchase some things out of next year's budget and free up a little bit of money. If we had the same success next year in our salary budget and our health care budget that we had this year and that's what's assumed in that \$1.9 million that we're going to achieve that again I don't know if the Mayor actually...maybe he did know that when he put...but that's how I would look at it right now. So, we have to do again next year what we've done this year. Assuming we have a mild winter and we have no surprises I think that the expenditure budget is in a range of a probable outcome. It's not unreasonable to think we could do it. I think there are other possible outcomes too but I don't think it's necessarily outside that range. I think it will be a very tight year and it's going to have to be very carefully and critically managed both on the revenue and the expenditure side and on the School District budget I think they'll have to make some difficult choices.

Alderman Lopez stated the follow-up I have for you is the...I know what you said about buying different things like if we had a surplus we can maybe buy salt or whatever the case may be but as far as salaries, as far as anything in negotiations cannot be appropriated out of the surplus this year for next year.

Mr. Sanders stated that is correct.

Alderman Shea stated the \$1.6 million does not include any surplus that would be coming to the City from the School District is that correct.

Mr. Sanders stated no and that was just two line items.

Alderman Shea stated if they return a surplus of a million dollars, whatever...\$1.2 million then that would be added to this \$1.6 is that correct.

Mr. Sanders stated yes. We might spend some of that \$1.6 if it was the Mayor's and Aldermen's pleasure to purchase the stuff.

Alderman Shea stated traditionally though isn't this money used to lower the tax rate usually.

Mr. Sanders stated some of it could be used to lower taxes and some of it could be used to...

Alderman O'Neil stated Bill follow-up to a few points you made. You commented there could be a salary surplus of \$1.2 million. Would you be able to give a report that would break down where that savings actually took place...affecting which departments?

Mr. Sanders replied yes.

Alderman O'Neil stated it's on-going. Would you in the next week or so be able to put together a report that would include where that is as well as...you mentioned \$300,000 to \$400,000 surplus in health benefits...is that attributed to individual departments or is that just a City wide pool number.

Mr. Sanders stated that's a City wide pool number.

Alderman O'Neil stated but the salaries you could ID to a certain department.

Mr. Sanders stated that is correct.

Alderman O'Neil asked can you give me some examples of this pre-purchase items...what types of things could be done with a pre-purchase.

Mr. Sanders stated Mr. Sherman and I haven't had an opportunity to talk in specifics yet. We had a conversation last week with the Highway Department about doing some purchasing for the recycling program where we would maybe spend \$150,000 for the totes that was going to be in their budget for next year...we pulled that back and purchase that...the idea that Mr. Lopez had about purchasing salt that's something that if we wanted to make salt purchases and free up money in next year's budget if you understand what I'm saying so we could then put that money in the salary line or in the contingency line...items

like that. If there was a major equipment purchase that someone had in next year's budget that we knew we wanted to do it so if we had the surplus buy it now and not wait for next year.

Alderman O'Neil stated I wrote down two words that I thought you said during your presentation...your comments about an overview of the proposed budget and that was...I don't want to misquote you but you believe it was based on a mild weather...I wrote down...you might have said mild winter.

Mr. Sanders stated I meant to say mild winter and that's what I heard someone say in the Highway Department.

Alderman O'Neil stated your Honor can I just follow-up with you...would this surplus be similar to what we did last year at the tail end with the Police Department specifically state within their surplus, within the Police Department, I don't think we went outside, I think we stayed specifically within surplus within their department...I honestly don't remember. We did some purchases of vests and uniforms maybe.

Mayor Guinta stated we did some cruisers...

Alderman Gatsas interjected we started doing that within all the budgets your honor until all of a sudden we put the brakes on. We were doing it while we were in the Finance Committee, we were making those motions if you remember and then all of a sudden for some reason nobody want to continue with some of the other departments and we were stopped.

Alderman O'Neil stated the question I asked was was it specifically...anything we did in Police came from a surplus and Police.

Alderman Gatsas stated is came from their Police surplus correct.

Alderman O'Neil stated so when Mr. Sanders is able to breakdown...I know it's not exact and it's a guess estimate at this point the possible \$1.2 we might also hear where those surpluses are attributed to what departments correct.

Alderman Gatsas stated I think Police told us last night they have no surplus...Fire said they have about \$300,000 to \$400,000.

Mayor Guinta stated so this year we have to do it a little bit differently but keep in mind that I'm projecting in the budget a fund balance of \$750,000. Last year I think the projection was \$500,000 or \$550,000. So because of some of the conservative positions we've taken I am

increasing a fund balance so we can distribute some of those dollars so long as we ensure we meet that fund balance number of \$750,000.

Alderman O'Neil stated we should be able to get that report from Mr. Sanders within a week, 10 days something like that.

Alderman Roy stated just because we kept it within department last year doesn't mean we have to keep it within the same departments this year.

Mayor Guinta stated correct.

Alderman Roy stated there's nothing in the Charter that makes us.

Mayor Guinta stated no.

Alderman DeVries stated an additional follow-up on the same line of thought. If you could take a look at some of the commodities...oil, gasoline, diesel...that may be quite a bit more expensive if we delay the purchase that would be helpful and I'm sure Frank Thomas would be happy to advise you if that's available to us. It certainly makes sense knowing that heating oil or gasoline is what \$4.00...whatever it's doing in California we don't want it here, thank you.

Human Resources

Ms. Virginia Lamberton, Human Resources Director, stated if you have my letter that I sent to you I'll just walk through it real quickly with you. The first item in the letter is Management Services and that's been an account the City's had for five years and we've paid Jack Sharry \$30,000 a year for four of those years to put out bids for our health insurance, dental insurance, life insurance, our disability insurance and to also monitor particularly the health insurance company to make sure that we're getting our best value for our dollar during the year. In other words if case there were times when the stop loss insurance should have kicked in and paid for some claims, large claims with Benefit Strategies, Jack Sharry's company watches that and then gets after Anthem to make sure that they're paying for it and we're not paying for it. There has never been a year since we hired this company that we haven't more than made up the \$30,000 we pay them. For example, this year if you look at the health insurance numbers \$30,000 as compared to an increase of a couple of million dollars is an incredible amount of money and his expertise is really helpful to us in that process. So, I'd ask that that \$30,000 be put back in the budget. I need to bid out the disability and the life insurance again. Our contract with Boston Mutual and CIGNA for those two items expires February 1st so I would need to put those bids out in the fall, get them back and get the prices down again there. Last time we bid it I don't remember the specific numbers but we had a considerable savings in both the life and disability insurance than what we had been paying because it had not been bid for a long time and so the fact that

we put it out to bid keeps everybody on their toes and saves the City money in the long run. The next category which is Other Services...this is a non-departmental line...I have several non-departmental lines in my budget and this line pays for arbitrators, fact-finders, mediators but it also pays for what we call our flexible spending program and that program is a program for non-reimbursed medical expenses and for day care expenses. It's a way for employees to have money taken out of their paycheck every payday, deferred, no taxes, it takes it off the top and puts it in an account for an employee and if an employee has non-reimbursed medical expenses or day care expenses they then can charge it against that non-reimbursed medical account or day care account and that's been in effect here I think for 7 or 8 years. It's a well-used program, it's really great for employees. Most employees would never have enough medical expenses to be able to take what they spend on medical expenses off their income tax whereas this really helps people without it. It also helps people put money aside for braces for their children, eyeglasses, contact lens and it also pays for other over-the-counter items, it also pays for prescriptions, co-pays on prescriptions...\$5, \$10, \$15 and we also what we call flex...our employee's share of their premium...so if they have Matthew Thornton we flex the 5% so they don't pay taxes on that and we flex 12.5% for Blue Choice and that's all part of this...it's really, really an inexpensive program. It costs between \$6,100 and \$7,000 a year for us to have this program and that's based on the number of checks that the company issues and in this instance this company is incredible because most companies that do this want to sell other products to employees which can be bothersome frankly. They don't even ask to do that so we're just paying a minimal amount of money to this company to do that and they also do our COBRA when people leave the City and they're entitled to pick up the health insurance for 18 months to 3 years...they send the certified letters and all the documentation to the former employee notifying them of their rights under the federal law of COBRA. So, that's really inexpensive for us...we have to have COBRA anyway. Duplicating Services...feeds into the last one which is our Employee Newsletter which I believe Alderman Garrity's probably going to help me out with...yes. We've had an Employee Newsletter since before I arrived here. Currently we have an Employee Newsletter every other month or six months out of 12 months a year. The Newsletter is articles that are submitted by employees and departments that deal with employees and departmental issues. I also write things in there about benefits and other things. The cost to have the Newsletter a year is \$18,000 and when I ran out of an appropriation this year I had \$14,000 so what I do is I go into my duplicating account and I take the balance for the money I need out of duplicating to pay off the rest of the Newsletter and other miscellaneous items like that. Incidentals which is just \$1,000 that also pays for just incidental things...we have an Employee Art Exhibit coming up and we would pay for the employee celebration that goes along with that afterwards which isn't that much money it's maybe a few hundred dollars to buy some petifores and punch to recognize the employees. Just a couple of other items that I didn't put in this because they're really non-departmental but the Unemployment account has only been appropriated \$20,000. I've had to come back to you now two years in a row for more money in the Unemployment that's not a problem...I can continue to do that. We're going to spend \$30,000 probably this

year...maybe a little more, maybe a little less...we'll see. Last year we spent almost \$40,000. If there are cuts in departments...if people end up becoming laid off that could potentially be for each person that's unemployed for six months about \$9,500...so that's a lot of money that we'd have to come up with because we self-fund for that. My health insurance and my salary accounts are also short. My salary account is short \$30,000 and I expect to have at least one if not two retirements during this next fiscal year. If both of those retirements take place I will need another \$60,000 out of the Salary Adjustment fund or wherever that money might come from...that's about it. I'd be happy to answer any questions.

Alderman Gatsas stated you said the Flexible spending program also administers COBRA and the total cost for that is \$6,100...do they take the responsibility of incorrectly or if there's a mistake in the mailing of the COBRA or the reinstatement of COBRA people...who's liability is it? Is it theirs or is it ours?

Ms. Lamberton replied actually I don't know the answer to that question but we have not had any problems with that...they send certified letters and letters in the regular mail and the employee theoretically gets it one way or the other. I've never had any complaint about that or any concerns but I will check that out for you.

Alderman O'Neil stated on the Other Services am I correct to say you had a budget of \$15,000 under that line item for this year.

Ms. Lamberton stated yes and at this point I only have \$150 left.

Alderman O'Neil stated so out of that you've got to back out the \$6,100 for COBRA out of that. How much of it if you don't know tonight you can get back to us...how much of it is attributed to non-reimbursed medical expenses and day care?

Ms. Lamberton stated the Flexible Spending program pays for COBRA and non-reimbursed medical expenses and day care.

Alderman O'Neil stated so roughly \$9,000 then is for arbitrators, mediation, fact-finding.

Ms. Lamberton stated that's correct.

Alderman O'Neil stated that's all we pay a year for those?

Ms. Lamberton stated it varies. Last year, we had a bad year so to speak because I only have \$154 left in that account and I asked David the other day how many days of mediation does he anticipate going to for the balance of this fiscal year...he said probably six. Hopefully not but probably six. If that's true then I'm in bigger trouble because mediation costs between

\$800 and \$1,200 a day assuming you only have one day of mediation for each contract and usually mediators prepare for a day so that just compounds it.

Alderman O'Neil stated this isn't directed at you but we've talked about this and I don't know that we've actually pushed it about cutting down on this stuff. Items need to be resolved quickly and to not go through all these processes of grievances not being settled and moving on and then we lose...we don't have a very good success rate and we end up paying all of it or paying half of it.

Mayor Guinta stated it may be reducing this account from \$15,000 to \$9,000 which is what my recommendation is forces us to deal with that issue.

Alderman O'Neil stated I think Ginny is still able to do some of the things she needs to do but I for one think if we had Kevin Buckley do an audit of staff time...again, this is not directed at you...staff time between David Hodgen and the individual departments that's put in for labor issues it's going to be in the hundreds of thousands of dollars of taxpayers money that used for that instead of settling it to begin with. So, I'll stop editorializing on that. Ginny, you said you anticipate two vacancies what's your authorized complement for '07?

Ms. Lamberton replied 9.5 positions.

Alderman O'Neil asked what's your actual as of today?

Ms. Lamberton replied 9.5 people.

Alderman O'Neil stated in the Mayor's budget how many positions are funded?

Ms. Lamberton stated I beg your pardon...I had 10.5 positions but I voluntarily have given up another position.

Alderman O'Neil asked in this fiscal year?

Ms. Lamberton replied yes...for '08 so that brings me back to 9.5.

Alderman O'Neil stated our current fiscal year, fiscal year 2007...what's your authorized complement.

Ms. Lamberton replied 10.5.

Alderman O'Neil stated your actual is 9.5 as of today.

Ms. Lamberton stated correct.

Alderman O'Neil stated and you believe the Mayor funded 9.5.

Ms. Lamberton stated I don't think he funded it completely no.

Alderman O'Neil asked how many do you think he funded?

Ms. Lamberton replied well I'm short about \$30,000.

Alderman O'Neil asked did he fund 8.5 then?

Ms. Lamberton replied I think he shorted me 9%.

Mayor Guinta stated I'm trying to get a handle on positions your Honor.

Mayor Guinta stated there's one vacant position...let's see...you're at 10.5...we had talked about changing the one full-time down to two part-time correct.

Ms. Lamberton stated but it still equals one full-time person.

Mayor Guinta stated correct. So, in FY07 you were at 10.5 and in FY07 you made a voluntary change to 9.5.

Ms. Lamberton stated 9.5 full-time equivalence.

Mayor Guinta stated you have today...

Ms. Lamberton stated that doesn't change...none of their pay will change.

Mayor Guinta stated today you have 9.5 equivalence.

Ms. Lamberton interjected full-time equivalence.

Mayor Guinta stated in the off.

Ms. Lamberton stated that's correct.

Mayor Guinta stated so what you're saying is you're short what...you said what \$30,000.

Ms. Lamberton stated I think I'm short \$30,000.

Mayor Guinta stated which I think if you do the math it's roughly the 4% plus I think...did you have overtime.

Ms. Lamberton stated not really no.

Mayor Guinta stated I think it's just a 4% reduction is what you're short. So, in my view you'll be able to maintain that complement.

Ms. Lamberton stated assuming I can go to the Salary Adjustment fund next spring.

Mayor Guinta stated which is what we did last year and what we're doing...what I'm proposing we actually can continue to do this year.

Alderman O'Neil stated 9.5 total positions or 9.5 full-time with two...I'm jus trying to get a handle on positions.

Mayor Guinta stated no it's 9.5 full-time equivalence.

Ms. Lamberton stated let me simplify that. Our current plan is to end up with one person is definitely retiring in the summer and that person would work two days-a-week and the other person would work three days-a-week and then another person would work three days-a-week...so one of the full-time equivalence would go to...it will end up to be.

Alderman O'Neil stated don't give me total dollars Ginny, I just want to know full-time and part-time equivalence in the Mayor's proposed budget.

Ms. Lamberton stated it will be 9.5 full-time equivalence.

Alderman O'Neil asked how many part-time?

Ms. Lamberton stated of those 9.5 equivalence three people will be part-time.

Alderman O'Neil stated so it's really six.

Ms. Lamberton stated no it's 6.5.

Alderman O'Neil stated so it's 6.5 and three.

Ms. Lamberton stated I think because they're not working half time they're working two-third's time and stuff like that.

Alderman Shea stated I'd like to editorialize just a bit. I worked in Human Resources with Ginny for I don't know how many years and I can tell you that the management services that we receive more than pay for themselves. I know that this year and I don't know if it's attributable but we're saving \$400,000. Now you and I sat down when two companies were being negotiated with and you know what Jack Sharpy did in order to save...how much would you estimate he saved by his expertise?

Ms. Lamberton stated actually I should have an answer for that...I calculated it once and it was something like \$400,000 or \$500,000.

Alderman Shea interjected \$400,000 or \$500,000 that he saved.

Ms. Lamberton stated just one contract.

Alderman Shea stated that he saved the City and we're not funding his company for \$30,000. I don't understand it it just doesn't make any sense. Why wouldn't we want the expertise of people that negotiate like you said before here...contracts, prepares them...he knows how these people operate, he deals with them, he has several dealings with them, they know how he operates. I'm not going to let this go I don't care if we get it through contingency but I'm going to fight for this because I think it's important...very, very important to spend \$30,000 in order to save upwards of half a million dollars.

Ms. Lamberton interjected that was a year too.

Alderman Shea stated that was one year...it doesn't make any sense.

Ms. Lamberton stated we do get drug rebates now which we did not before and last year...this past December I got a check for \$135,000 for that.

Mayor Guinta stated let me ask you this...the health contract that we're negotiating currently what's the term of that contract?

Ms. Lamberton replied we have not completed those negotiations but we'll minimally expect two years...that doesn't mean they'll agree to it.

Mayor Guinta stated I don't believe it's necessary to fund a professional service every fiscal year when the contract that's being negotiated is for more than that fiscal year. So, once we're done in this fiscal year negotiating we don't need to negotiate it next year, which is why I'm saying we don't need to pay for the service in fiscal year 2008. In fiscal year 2009 that's a different story and I would argue then that in fiscal year 2009 or in 2010 depending on if it's a two or three-year contract we can bring that cost back. I'm saying for fiscal year 2008 we don't need it because this contract will be wrapped up in fiscal year 2007. The

second point I would make is that the HR Director talked about life and disability contract negotiations. I would argue that those are very different than a health care contract and I think that we can adequately do that in-house. So, this is more about paying for a service when we need it and not paying for a service when we don't and what I'm throwing out to the Board is save those dollars in fiscal year 2008 because there's no significant contracts that have to be negotiated. In 2009 or 2010 we can decide as a Board if we should fund it and I would argue that at that time we should fund it.

Alderman Shea stated but you're using the Aldermen here...what these people are going to be available at the same price in 2009 that they are in 2007 or 2008. He may turn around and say look you decided to dump me, therefore, we're not going to bother with you unless you want to pay a little bit extra...that's what my thoughts are. You use people, your Honor, when you need them as well as when you don't need them and if they're saving us that much money we are being penalized and time foolish in my opinion.

Mayor Guinta asked why would we pay for a service in a year that we don't...

Alderman Shea interjected because you want to study the projects or the different improvements or the different changes and so forth. I'm sure that they're not going to just do nothing. You would want to have something down on paper so that you would want them to contractually do certain things so that you can probably find out whether or not the new rates are going to be X, Y or Z...that's what I'm saying. So maybe Ginny could add something to that too I'm not quite sure.

Ms. Lamberton stated frankly I put out an add in the newspaper in January of 2002 looking for companies that provide this service. The minimum...this is 2002 now so that's five years ago...the minimum proposal that I got was \$65,000 and that was just a basic consulting fee plus expenses...five years ago. Somehow or other I ended up with Jack Sharry who as you know is a bit of a character and the first year he wanted to do business with this City so he agreed to do business for \$500 and he did the whole health insurance for \$500 and why did he do that because he made an investment because he wanted to continue to work with the City. Thereafter we negotiated and he agreed to do it for \$30,000 and does he work harder some years than others yeah he does but again what's five times three is \$150,000...five times sixty is \$300,000...we we're still ahead of the game if I had to hire another consulting firm to do this and I don't think...I don't know if he's come back or not.

Mayor Guinta stated so what you're saying is he underbid to get our business for the long-term.

Ms. Lamberton stated that's correct.

Mayor Guinta stated if we continued that policy in other contracts we would be switching health carriers year after year after year which is not a prudent thing to do and I don't think it's advisable for us to continue doing business with somebody simply because they underbid us three years ago. If we don't need the service in fiscal year 2008 how can I in good conscience come to this Board and ask them to appropriate the money...that's not good business.

Ms. Lamberton stated but I've said that I do need the service because we do have to bid the disability as well as the life.

Mayor Guinta stated and you're telling me you don't think we have the institutional knowledge at this point internally to make the proper decision.

Ms. Lamberton stated no.

Mayor Guinta stated I would argue differently.

Alderman Garrity stated I thought Alderman Gatsas was going to do a pro bono for us.

Mayor Guinta stated he has been actually. He's been involved in those negotiations.

Alderman Gatsas stated I think that everybody will recognize that from day one I've always said that we should be self-insured...all we need is a third-party administrator that would adjudicate claims because that's basically what we do now and it's maybe time that we get somebody to take a look because there was a long discussion about it when I was with Mr. Shea just before the two bidders came in that we had the conversation. There is no question that what we do and how we do it there's a cheaper way of doing it...there's no question about that but unless somebody is going to spend the time and I don't know if Ginny has certainly expertise to look at it but he does then we should hold him to task to come back right after we end this one...to come back and tell us the analysis of a self-insured plan...we've been waiting for that. The last that somebody came in I remember Alderman Garrity kept his feet to the fire and it was a \$2 million difference but for some reason we haven't looked at it because basically all we do is we have somebody that pays claims...that's basically what it is...there is no 100% insured plan that's out there, we're self-insured, we send the check, they cut the checks to the providers. They think that if the City of Manchester went out with a card that said City of Manchester the providers that they would get the best deal possible from the hospitals and the providers.

Mayor Guinta stated maybe we can do that in fiscal year 2007 under current contracts.

Alderman Roy stated are we good with that conversation...I'm going to switch gears a little bit.

Mayor Guinta stated it's up to the Board.

Alderman Roy stated Ginny one thing that Alderman O'Neil started on earlier and it's bothered me since I got this chair a number of years ago...there's a number of costs in your department that you have no control over...mediation costs, arbitration costs, arbitrations...I don't expect you to give a lot of answers tonight but I'd like to see in this budget process some of those fees broken out because as Alderman O'Neil and the Mayor stated earlier the only way to hold the department heads responsible and get some of those changes to happen long-term is for them to see the costs and have them impact their individual budgets and I know that statement's not going to be popular with department heads but it seems like your department bears the brunt of all the miscellaneous associated costs with arbitrations and mediations. So, if we could get something or work with Finance to show us a way that we can divvy up costs.

Ms. Lamberton stated I have the breakout for that. I think there was actually four...there was either three or four cases that happened this year and one of them started three or four years ago...it was a termination arbitration. With no disrespect to Alderman O'Neil I don't agree with him...it's like...you have employees...just because they want it doesn't mean it's right. You ask department heads to hold the line and manage budgets and yet if a union is unreasonable which they are sometimes you have to be strong and say no I'm not going to do that.

Mayor Guinta stated I'm not sure that's what Alderman O'Neil was referring to. Alderman O'Neil is saying that prior to getting to arbitration there should be a better scenario in place for a resolution and I think his position is that within certain departments that's not occurring because I've had the conversation with him several times. So, I think what he's referencing is something different than you're describing.

Alderman Roy stated not getting into any one specific or any particular cases I would just like to see the costs of those department head decisions reflected in their budget instead of in your budget to put it bluntly.

Ms. Lamberton stated I have a summary of the decisions that came out this year and the costs for those.

Alderman Roy stated thank you I'd appreciate that.

Alderman Lopez stated I would like to go back to the conversation because I think it's very important in reference to consultants. I too was involved with the individual...Group Benefit when they came here. I guess it's a matter of the HR Director and the Mayor...your Honor you stated that there's people that are qualified to do this. Just remind you that a lot of times

we go out for other expertise...Highway Department goes out for expert people and we have engineers and everything else in the City, Finance goes out for people...you know many departments have consultants...Parks and Recreation have a consultant that comes in...who do you think is qualified in this City, right now, to do the things that this man does for the City in saving the City hundreds of thousands or dollars?

Mayor Guinta replied first of all let's break out the health from the life and disability. The health is currently being negotiated and as I've stated today and in years past as an Alderman I think he's provided a valuable service as it relates to the health contracts and that should be resolved in this fiscal year and it is going to be a multi-year contract. When you break out the smaller ones...life and dental which amounts to I think just under a million dollars in our line item I think that whether it's our Solicitor's office or Human Resources office or possibly our Finance office we have people within those departments that can adequately view the competitive bid process and negotiate on behalf of the City for those two contracts.

Alderman Lopez asked who?

Mayor Guinta stated do you want me to give specific names...I think Ginny Lamberton could do it, I think Bill Sanders could do it and honestly if they can't we ought to be looking at our hiring practices but these are very well-qualified people who we entrust with the finances of the City, the Human Resource responsibilities of the City. I can't imagine that our CFO who's responsible for all aspects of financial operations of a \$10 billion asset could not negotiate a contract with a provider. I have every confidence in the world that they could do it.

Alderman Lopez asked would that hold true for other departments in the City?

Mayor Guinta stated as it relates to the particular...as it relates to what?

Alderman Lopez replied go out and getting consultants to do the job.

Mayor Guinta stated I don't disagree that there's certain times when you require consultants for particular things...a \$105 million school renovation project...certainly need a qualified consultant but I think that that's very different than what we're talking about here.

Alderman Lopez stated I understand that...this is a specialty. This is like having somebody...a general practice lawyer versus a criminal lawyer. If we expect Ms. Lamberton or the Chief Finance Officer to negotiate without the consultant coming in and giving his specialty advice to them I don't know...Alderman Gatsas mentioned something about insurance and all that. Personally I don't think that we have the expertise to do specialized things that people in their lifetime to come in and give department heads advice otherwise we wouldn't get down to 4.5% for the health insurance.

Mayor Guinta stated I'm not disagreeing on the health side.

Alderman Lopez stated I think it's important as you move forward as the Chairman of the School Board they don't even go out for it and they got 9% so there's something wrong there. Our expertise helped us to get 4.5%.

Mayor Guinta stated the decision to go out to bid was not a consultant telling us that I think that was a generally accepted business practice to go out to bid for large items. The fact that the School District is not doing it suggests that they're not making a prudent decision as it relates to health benefits...we are and it's not because a consultant told us to do it...I heard that from members of this Board and I've heard it from our own HR Director...we didn't need a consultant to tell us to go out to bid.

Alderman Shea stated I contradict you because I spoke to the lady over at Human Resources at the School District and I explained to her that she could utilize the services of this particular person and she did not...so that contradicts what you're saying. So, if they had used Jack Sharry which they had previously used him then they would have saved 4.5% or whatever the difference is.

Mayor Guinta asked why don't they do it then?

Alderman Shea stated why don't they do it...well maybe you should fire the people there...by your terms...I don't understand why we can't spend \$30,000 to save a half a million dollars...it makes no sense.

Mayor Guinta stated I tried to answer the question.

Alderman Shea stated use them when you can but don't use them when you can't.

Mayor Guinta stated so Alderman you're suggesting that we pay him for a service that we don't require during the fiscal year.

Alderman Shea stated I'm explaining to you that you negotiate with him and say look maybe we're paying you \$30,000 but prepare something...what I'm saying is don't lose the services of someone that you may otherwise lose. So maybe we can be...

Mayor Guinta stated in my budget I think I've given a reasonable explanation as to why I don't believe we need that service for fiscal year 2008. I've reiterated that in future fiscal years we may in fact require that service and we would be happy to bring him or someone else back. If the will of the Board is to pay for a service that we're not going to require that's the will of the Board but that's my recommendation.

Alderman Lopez stated can I have your final version and then I want to wrap this up and go onto another question. Do you think that we need this \$30,000 and what services would this professional provide you in this 2008 budget?

Ms. Lamberton replied I think it's in the best interest of the City to continue the contract with Jack Sharry or the equivalent. For this 2008 we will be...he will be preparing...the primary thing he does is prepare the RFP for the life insurance and the disability insurance and it takes expertise in that field to do that...the little details and the innuendoes and whatever else. If we get the RFP's in, they evaluate them and determine whether or not they really responded to the RFP properly and then they put it in tables for us and then we go in and jointly negotiate it...so, that's easy for me to do. I don't mind negotiating the contract it's just the details...I'm not licensed in life insurance or disability insurance and people that do it for us are. So that makes a difference.

Alderman Lopez stated final question...in reference to \$9,500 you mentioned about unemployment...is that paid monthly?

Ms. Lamberton replied what happens is a person that makes about \$25,000-\$28,000 a year or more becomes unemployed...they can collect unemployment for up to six months and they get \$375 a week...it comes out to \$9,500 if they stay on unemployment for six months is what it comes out to and if unemployment is really bad in the area the feds will extend the unemployment for another six months but that hasn't happened in a while.

Alderman Garrity asked will Jack Sharry be preparing an RFP in fiscal year 2008 for health insurance?

Ms. Lamberton replied not 2008 for health insurance no unless we can't get...

Alderman Garrity interjected excuse me please let me finish...you just stated that some of his responsibilities next year are going to be to prepare an RFP for health insurance...

Ms. Lamberton stated no life and disability.

Alderman Garrity stated but not health insurance.

Ms. Lamberton stated unless we can't get anybody to agree to a second year contract.

Alderman Garrity asked when are we going to know if they agree to a multi-year contract?

Ms. Lamberton replied hopefully in the next couple of weeks.

Alderman Garrity stated it's kind of putting the cart before the horse, your Honor, funding a position that I believe possibly we won't need next year for health insurance.

Mayor Guinta stated let me ask a follow-up question. It's \$30,000 in the FY07 budget correct.

Ms. Lamberton replied yes.

Mayor Guinta stated and it's a \$30,000 request in the '08 budget right.

Ms. Lamberton stated that's correct.

Mayor Guinta stated so the service that he provides for health is the exact same cost as the service he provides for two smaller contracts...life and dental.

Ms. Lamberton stated I would not say that my experience in bidding the life and disability last time...actually we should bid the dental next year too actually. There's any less work in the end product than the health insurance.

Mayor Guinta asked do you think life and disability are equally as technical as the health?

Ms. Lamberton replied I'm referring to the volume of work...the product that went out.

Mayor Guinta asked further questions or comments. Thank you.

Mayor Guinta recessed the meeting for approximately five minutes.

Mayor Guinta called the meeting back to order.

Library

Mayor Guinta stated Library and the Trustees are here so we'd like to acknowledge their presence and recognize their busy schedules.

Ms. Denise van Zanten, Library Director, stated Library Trustees and I just have a few things we want to discuss with you before we take any questions about our budget proposals. We want to review what we did in fiscal year 2007...we've seen the usage of the libraries go up 29.3%, we added 5,600 new library card numbers, we've seen attendance at our programs go up, we entered 87,000 reference questions and circulated 426,000 library items. We added the security guards to our staff complement...that was done in the Mayor's budget last year and I greatly appreciate that. I really like having control over their schedules. We began offering computer classes, we created our own newsletter in-house...some of you have seen it, you can get it through an e-mail or our web site. We began offering demo to the audio

books and we recently were notified that we received a Samuel P. Hunt Foundation grant for \$7,890 to install wireless internet access at both of our library buildings so we'll be doing that sometime this summer and we also opened the main library again on Tuesday nights. So, it's been a very busy year for us and I have to say we owe many thanks to the Information Systems Department because without them we wouldn't have our lifeline to the internet, to the network and everything that they do for us at the library to maintain our web page. Our fiscal year 2008 budget request was based upon discussions the Trustees and I had with the Library administration and we made some minimizing decisions for the budget. We removed one full-time office assistant permanently from our complement, we removed funding for the Deputy Director position and we tried to offset increases in our merit and longevity and benefit increases by cutting these positions. We tried to minimize our increases with our HVAC system with the new system being run at the main library for the first time this year. We have a better grasp on estimates...we're running over on gas right now but I think electric we might just squeak by this year so that's good news. We added funds to our material lines and the biggest request we included in that budget request was a part-time security guard for the west branch. The west side as you know is having some security issues and the Library's no different. We now have three floors and only four full-time and one part-time staff member there so I'd really like to have security there to address their issues like we have at the main Library. With all these steps the Trustees and I have proposed a budget which is a \$43,273 increase or 1.6% over fiscal year 2007. We believe that this small increase will allow us to continue library services. Mayor Guinta's budget proposal for the Library is \$75,526 less than our fiscal year 2007 budget and line-by-line the Mayor matched every single one of our line item requests except for the staff and salary and benefit lines. By our calculations there's a 4.94% cut to our salary line from 2007 and 2% cut to our benefits line. I did talk to the Mayor via e-mail and he told me that this budget does not require any layoffs and that he only cut the 4% for his potential savings citywide. As I repeatedly told this Board last year our staff is our most vital resource. If we don't have our staff we can't provide quality library service. So basically that brings us to a couple of questions that the Trustees and I have about our salary and benefits is how are we suppose to pay our current staff's merit and longevity and COLA's...we have a union, we just started negotiating...I don't know what COLA's are going to be in our negotiations...so, that's not built into our budget request. How we pay for severance...I've heard other departments address this...we have staff members who may retire or leave we have to pay for that and we really feel we're at minimum staffing level for both buildings. I put in my letter to you we have 44.6 full-time equivalents at the Library...just in comparison the Nashua Public Library has 44. We have two buildings, they have one. We're open 107 hours, they're open 75.5...so, that's just kind of giving you a perspective of where we're looking at this from. So, with the Mayor's budget as the bottom line stands we're seeing possible layoffs of the Library staff and cutting our materials budgets. Our budget is pretty lean...our book budget this year is only \$121,000...if I have to make up the difference I may have a book budget of \$45,000 next year. So, with all of that being said I'm really concerned about operating the branch...the library has operated the branch on the west side since 1980...it's been 27 years

and it's always seemed to be a shoe string budget for that branch...I would really like to see us properly fund it and that's really all I have for you tonight. If you could level fund us that would really be a big help for next year.

Alderman Garrity stated Denise you stated earlier that you do your newsletter in-house I was wondering what the cost of that was.

Ms. van Zanten stated it's just staff time and supplies.

Alderman Garrity stated this one cost \$18,000 a year and this one costs zero so I would like to find out how we can do it in-house on the City side at zero...so I'll be in touch.

Alderman O'Neil stated Denise you mentioned your authorized complement for fiscal year 2007 is 44.6 full-time equivalent...how many actual positions do you have today?

Ms. van Zanten replied in that you have 52 full-time and then you have 14 part-time. Of the 52 full-time only 50 are currently filled. The office assistant and the deputy director position are not.

Alderman O'Neil stated so that's your actual authorized.

Ms. van Zanten stated yes.

Alderman O'Neil stated your actual today is the 44.6.

Ms. van Zanten stated that's your full-time equivalent actual today. We only have 50 positions filled right now instead of 52 although we were budgeted last year for 52, we only filled 50.

Alderman O'Neil stated you have raised some concerns with the salary line item. What do you believe that staffing level would be with the Mayor's proposed 2008 budget?

Ms. van Zanten replied I think we're going to lose at least two to three full-timers if the number stands.

Alderman O'Neil stated the numbers do not include...you mentioned a full-time administrative assistant and the deputy's position...they're not included in that number.

Ms. van Zanten stated the if the number stands.

Alderman O'Neil stated the numbers do not include...you mentioned a full-time administrative assistant and the deputy's position...they're not included in those numbers.

Ms. van Zanten stated the Trustees and I decided...it's actually an office assistant position. The library office...I reorganized it, it used to have three support staff for the director I now only have two and I cut one of those positions completely and then the deputy director position we decided not to fund it for the next few years to see how I and the rest of the administration function without having that extra level of administration.

Alderman O'Neil stated if I may, your Honor, one follow-up...does the security guard at the West Side Library exist today or that's proposed as of July 1st?

Ms. van Zanten replied that's proposed as of July 1st.

Alderman Gatsas stated I must have misunderstood you...can you go a little slower...total full-time employees that you have currently working at the Library.

Ms. van Zanten stated full-time is...my total...you're right I was messed up...our total is 52 employees, 38 of those are full-time, 14 are part-time...my mistake, thank you Alderman Gatsas.

Alderman Gatsas stated the total number that you currently have employed.

Ms. van Zanten stated 50...36 full-time, 14 part-time and that's what we want to carry over to next year plus add the part-time security guard.

Alderman O'Neil asked your Honor can I just jump in...I appreciate my colleague bailing me out on that but the true vacant full-time are the office assistant and the deputy director.

Ms. van Zanten stated yes.

Alderman O'Neil stated thank you. Thank you Alderman Gatsas.

Alderman Gatsas stated Alderman O'Neil I know has the sheet but that's not what the sheet says...the sheet that we have from Human Resources says that your complement is a total of 41 and two vacancies.

Ms. Lamberton stated because they would fill a position we would divide a position in half with two people or three people. In other words you can hire two people at 20 hours for the equivalent of 40, etc.

Alderman Gatsas stated thank you.

Alderman Smith stated I noticed that you said that you might close the West Side Library I would be adamant being so close to Manchester West High School and the Senior Center I would think that that would be a top priority and you wouldn't be able to reduce the hours you would say that you would have to be or close it. If we lose the staff based on our union contract we're losing a staff at the main Library so I need the staff that is currently at the west branch to consolidate into the main Library's hours. At this point I don't know if it's a closure or if it's just reduced hours...I'd like to say reduced hours but until I have an actual number I can't give an actual plan to this Board.

Alderman Smith stated we read books on the west side too.

Ms. van Zanten stated I know, I know.

Mayor Guinta stated let me just try...let me try to allay a couple of fears because you did mention that you and I had been e-mailing regarding your complement and I would reiterate that if the budget passes as recommended to the Board, in my opinion, a layoff does not have to occur, a reduction first does not have to occur. Again, if you just look at the budget book what I did was essentially level-funded all of the line items, I increased the book line by a little bit and then I took the 4% out of salary and benefit which is the 4% that we're taking out of every department and then I'll manage that through the salary adjustment. So, the directive that I would issue is don't reduce your current complement. If you have shortfalls through the year we'll be able to manage that through the salary adjustment.

Ms. van Zanten stated just to play devil's advocate what happens if by the time we get to the salary adjustment line there's no money left.

Mayor Guinta stated that won't happen. It didn't happen this year it won't happen next year. It's a management principle that we used this current fiscal year, it's working and we're going to apply it again to the overall governance of the City budget.

Alderman O'Neil asked Denise was the security guard position at the west side branch was that in your request to the Mayor?

Ms. van Zanten replied it was.

Alderman O'Neil asked your Honor do you believe you funded that?

Mayor Guinta replied that is not...that was an additional request so I did level fund and took the 4% out so if the Board wanted to add that we would have to find funding for that.

Alderman DeVries asked Denise have you advertised the positions for the vacancies you have today?

Ms. van Zanten replied we don't have any vacancies...all are filled.

Alderman DeVries stated I thought you said you had two vacant...oh, I see you're talking the deputy, etc. so you'd have to have a reduction in force in order to...future vacancy in order to work with the Mayor to manage your budget.

Ms. van Zanten stated and that's my concern and the Trustees concern is that we are at minimum staffing levels for the two buildings. We are not going to have attrition, we're going to fill positions as they open to maintain services so I know I'm going to be overspent next year and I don't like saying that I'm going to be overspent, it bothers me.

Alderman Shea asked do you have two security guards on at one time at the main Library?

Ms. van Zanten replied no. They work 32 hours a week each and they cover our 63 hours that way. I do occasionally send them over to the west branch.

Alderman Shea asked why do you have to send them over there is it because there's more problems at certain times at the west side and what are these times?

Ms. van Zanten replied usually after school when the high school students come in. There have been some other minor problems it's just good to have a presence, it helps to cut down on things...call the Police about once a week.

Alderman Shea stated you call the Police about once a week.

Ms. van Zanten stated at the west branch.

Alderman Shea stated because of problems that are created by students that come in from West High School is that correct.

Ms. van Zanten stated not just the students it could be adults too. We have the same problems at the main Library because we have security there it basically keeps it contained.

Alderman Shea asked what would be the minimum that you would need someone there. In other words the \$25,000 takes care of someone for how long?

Ms. van Zanten stated that's 32 hours a week so that's almost all their operating hours. I would have the security guard there from roughly ten thirty until closing. On Wednesday they would be there in the evening because the branch is open until eight thirty. We would pick prime times they wouldn't be there first thing in the morning.

Alderman Shea asked what if you were able to save...augment the amount of hours that the present people have...like in other words they work 32 hours...if they were to go to say 40 hours that would give you an additional 16 hours would that allow you to have coverage?

Ms. van Zanten replied it would but the part-time works better because the people that are in the positions only want part-time...like one is a court officer at the Manchester District Court so he works the evening shifts and weekends at the Library.

Alderman Lopez stated just a basic comment. I had some calls on the West Side Library it could be closed already the word is out there and I think Alderman Smith is absolutely right...I know Alderman Thibault...before any decision is made with the Trustees or anything I would hope that you would come to this Board and let us know of their decision before implementing anything about closing the west side so the public doesn't get up in arms...we want the west side open so I think that's the message we're sending to you.

Ms. van Zanten stated that's what we would plan on doing. It's not a decision we want to make. I do not want to close that branch.

Mayor Guinta stated you don't have to...I'm telling you here in public at the meeting and I reiterated that in our discussions and I understand your reservation as I do understand the Trustees reservation regarding the way we're appropriating dollars, however, in order to try to have more administrative management over the entire budget and again we didn't pick on Library we did this with every single department with the exception of Police and Fire...we did that in my own budget in the Mayor's office. We took a 3% reduction last year, we managed it I think you were here earlier when you'd heard that we'd seen healthy surpluses because of that management and because it worked we're going to do it again. So, the message that I would be sending is you don't have to close a Library, you don't have to reduce hours, you can have...you're at the existing complement and as the year progresses we'll go over the monthly statements to see where the overall City budget is and we will apply dollars when and where necessary. The only point and I will reiterated if we want to try to increase the security then we have to try to find dollars for that.

Alderman O'Neil stated just on that line and I don't know if Denise or her staff have reached out to Police but can you speak to the Chief about...we do have a substation within a few blocks that maybe those officers, the Community Policing Officers can stop, help out, maybe the School Resource Officer because I know they generally stay on shift till about an hour after school closes, etc. There might be a way that Police can help with this issue.

Mayor Guinta stated I would be happy to do that and I will communicate back to the Library Director to see what comes out of that meeting.

Ms. van Zanten stated the Police Department's been very responsive doing walk throughs at the buildings.

Mayor Guinta asked are there any other questions. There were none.

Highway (Facilities, EPD & Traffic)

Mr. Frank Thomas, Public Works Director, stated the Board should have received a handout that we prepared. I'd like to start off by going over an 8½ x 11 colored sheet that's entitled "Actual vs. Project FY09"...I've received a lot of calls regarding what our projected surplus is this year. If you turn to the second page you will notice that our surplus is identified at \$1,045,780...that's based on a projection that we did today...the different colored lines on that sheet kind of categorize where the bulk of those surpluses are...again, if you look at the last page you'll see that salary and benefits...we're looking at a projected surplus of about \$356,000...contracts those are basically our solid waste contracts about \$208,000...snow was identified as about \$525,000 and then the orange line items show a negative. The reason why we're under in salaries and benefits is that if you remember correctly to manage a 3% cut internally so as we started the year we really beefed up our vacancies to ensure that we would meet that obligation and to potential Worker Comp claims that are typically assigned to our salary line item...these are the Worker Comp cash settlements. As we got into the budget process, the operating budget during the course of the year we had a problem of filling positions. I have a policy in the department that nobody will come into the department in the field areas without having a commercial drivers license. The way we accomplish that is we bring on temps and we have those temps...

Alderman Shea interjected excuse me, Frank, one of our members doesn't have this handout.

Mayor Guinta stated there are extras here.

Mr. Thomas continued by stating as I mentioned we've had trouble filling permanent positions because the temp labor pool that we've been getting they've had difficulty in understanding the written exam and passing the test for a commercial license...we've gotten to the point where we're actually doing some internal training but as a result we've had a fairly high vacancy rate over the budget year so far which has been fine where we've had a fairly mild winter we haven't pushed the issue. So, we've had substantial savings in salary and benefits. Contracts...you will see that we have over \$200,000 project surplus this year. The reason for that is that since we took over contracts...solid waste contracting in 1997 we've been averaging 3.86% increase in tonnage every year. When we put together the budget last year we assumed that '06 was going to be on target and working off '06 we added 3.86% to that and what we found out is that '06 tonnage came in lower than we expected when we were generating the numbers and this year quite frankly solid waste tonnage is the same as the tonnage for last year so we haven't seen an increase. I'd like to

say it's related to recycling but unfortunately that may be but not all of it. As a result that \$200,000 savings in contracts is pretty much savings in transfer and disposal costs for solid waste. The yellow line items are the snow related, the directly snow related overtime, rentals...we use rentals when we pick up snow, insurance through CGL...so why is CGL snow related. Obviously, when we're out plowing we get into more accidents and of course that is tagged into that line item and then of course salt...as of this last storm we're still about \$295,000 under our salt budget so that added up to the \$525,000 and it's good that we had some of those surpluses because if you noticed the orange line items so are also somewhat snow related...vehicle repairs go up obviously if we have a bad winter along with gas, oil, diesel, power and batteries and you can see those line items are being projected to be over. So, hopefully that answers everybody's questions regarding how much surplus we're having this year. Having said that I turn your attention to typed up sheets...again, we've had a lot of calls and we're trying to give a little bit more detail than what was in our correspondence...start off at the top you can see the 4% salary reduction...that is going to equate to about 10 or 11 positions that we're going to have to more or less average during the course of the year. I noticed underneath in parenthesis that we did manage our 3% budget cut this year and we actually have a surplus on top of that that I just mentioned so we're willing to live as we did last year with a 4% salary cut as recommended by the Mayor. However, in addition to those 4% salary cuts there's also additional salary cuts that the Mayor proposed and there was also at least one position that was not identified I believe in the Mayor's consideration in salaries...that one position is if you remember correctly purchasing came to us...right now there's two positions that we have that are actually getting paid out of a central purchasing line item outside our budget. When we worked with Human Resources to develop our full salary complement the Purchasing Agent was included in but the other position was not included so the first position that we identified is the purchasing position and those are the salaries and benefits relating to that position that are not in our budget. Also what was cut was dispatching. There was a discussion with the Mayor last year and again this year that maybe we should be trying an answering services instead of 24 hours, 7 days a week dispatching...obviously, there's a savings as noted there. Also in order to get down to the Mayor's salary number one more position was identified and that was the consolidation of the Recycling Coordinator with our Drop Off Supervisor. Recycling Coordinator would assume that person's duties and work out the drop off area. Those three positions basically get us even with the 4% and the additional salary cuts proposed by the Mayor. We did also have a shortfall in contracts line item that had to be addressed. Part of that shortfall in the contracts line item for next year will be made up hopefully by utilizing some of the surpluses this year to buy toters that were identified in our contract agreement for the next year...that would require a contract amendment but if the Mayor and the Finance Department and the Board okays it we would be able to spend about \$130,000 out of this year's surplus to buy those toters, however, that still brings us up short in that line item and as a result the bottom four positions would be cut in order to make up for that shortfall in that salary line item. As a result that equals 9 Highway positions for the value noted (\$443,045). If somewhere along the line the dispatchers are restored back into our budget there's a not

here that says you need to fund the overtime that goes with those positions to the tune of \$36,823. A little note on the sheet that says keep in mind that if we're down 9 positions and we're maintaining 10-11 vacancy limit you're looking at potentially 19 to 20 positions. Obviously, 19 to 20 positions out of a complement of 183 is going to have impacts...the impacts would be on how quickly we can perform snow removal operations and refuse collections the following day. There were also a lot of questions...we received calls on...I had mentioned in our discussions with the Mayor...the Mayor was taking the position of funding snow removal cost on a mild type of winter. What I did was I identified the cost that were cut from various line items in the Mayor's budget. In the case of vehicle repairs, gas, oil, diesel and tires and batteries what I did was I took the Mayor's number and subtracted it from our projection of this year for level funding and that's how our numbers with the asterisks appears. On the bottom of that sheet where Traffic Division is part of our operation the salary reductions in the Traffic portion of our budget eliminated the proposed additional Traffic Signal Technician that we identified and will result in two additional existing positions being eliminated. Those would be two Traffic Maintenance Worker positions and again the cost to restore those positions. What we have done from the beginning of this budget process we have been holding off on filing positions. There are about 8 vacant positions in our department now and if there are no changes to the Mayor's budget proposal we would hope to try to accommodate these bump downs through vacancies in the department between what we have now and what we'd hope to have by the first of the year. On the last sheet that I gave you is a large spreadsheet. The reason why I gave that to you is I did want you to be able to see what we had spent actually in '05 and '06 and then you could see our budget projection against this year's budget and the comparison of what the Mayor has proposed against some of those scenarios. If you look in '05 which I would say is more or less an average year to a little under an average year you can see that in overtime we spent in that year over a million dollars and that was based on '05 salary costs and we spent close to \$900,000 in salt costs and those unit prices as of '05.

Mayor Guinta asked can you just repeat that...you're saying that the overtime cost in '05 was a million.

Mr. Thomas stated \$1,005,000 and the salt costs in '05 were \$899,673.

Mayor Guinta asked do you have a breakdown of that overtime number between exempt and non-exempt employees?

Mr. Thomas replied I can get that number. I believe we haven't burned the records but yes. Before we get onto Facilities portion of the Public Works budget does anybody have any questions on what I just went over?

Mayor Guinta replied I'm sure there are.

Alderman Osborne stated just getting back to the Traffic Department or the Traffic part of Highway...you say two positions.

Mr. Thomas stated that is correct.

Alderman Osborne stated one is a signalman.

Mr. Thomas stated no. One was a new position that we had proposed in this year's budget would be an additional Traffic Signal Technician. I think the audit that was done of the Traffic Division requested a study that I did when back a few years ago I proposed consolidation of Traffic into Highway. I felt that due to the amount of signals in the City that we really should have one more Traffic Signal Technician so we did propose that this year. So that's a new position and so we have cuts so that was the first to do.

Alderman Osborne stated just keeping the two at Traffic and the dispatch situation of overtime how much does that come to about five hundred thousand plus.

Mr. Thomas stated no. The two Traffic Maintenance Workers is about \$117,000 and the Dispatchers would be \$136,000 plus \$37,000 in overtime.

Alderman Osborne asked so what does that come to?

Mr. Thomas replied about \$290,000.

Alderman Osborne asked where did I come up with this five hundred thousand plus figure before?

Mr. Thomas replied I think what you were looking at was the total of all the positions identified above under Highway...the 9 Highway positions for \$443,045 and the two Traffic Maintenance Workers salary and benefits and that would total about \$560,000.

Alderman Osborne stated I know myself as a constituent Alderman I don't want to be talking to a switchboard I know that for a fact. I think we should keep the dispatchers there's no doubt about that 24 hours a day because I think they have the expertise. If somebody calls I know who to call and somebody on a switchboard somewhere who really doesn't know who to call if there's an emergency. So, I like talking to someone who knows a little bit about Highway.

Mr. Thomas stated during normal business hours you will be speaking to a dispatcher we will have a dispatcher five days a week.

Alderman Osborne asked what about twelve o'clock, one o'clock in the morning?

Mr. Thomas replied that would be through the answering service.

Alderman Osborne stated that's what I'm saying. Thank you.

Mayor Guinta asked can you go over what your peak hours are in terms of calls to dispatch?

Mr. Thomas replied obviously the majority of the calls and the need for dispatchers are during normal working hours...the dispatcher coordinates all radio communications between vehicles and if there's a call or a complaint such as a pothole the dispatcher does radio that out to the proper crews so the majority of the communications is being handled during the normal work day.

Mayor Guinta stated so again the focus would be to try to utilize existing personnel during the period, during the 24-hour period when the call volume is the highest. When I looked at the budget that was during normal work hours, we could even extend it and also emergency related times so it's not always during the day...during an emergency you may get them at ten o'clock at night, two o'clock in the morning and that would be a judgment call to bring personnel in but on those hours during the year particularly during the summer when calls for service drop dramatically...the calls to dispatch then you utilize a different service there by saving us significant dollars.

Alderman Osborne asked Frank how much does this involve after hours for the dispatcher?

Mr. Thomas replied first of all let me follow-up on the Mayor...we would have the dispatcher working the nine hours...days-a-week and every time there is an active snowstorm when we're calling in crews that dispatcher would be working. All other times we would depend on the answering service to receive the call and then pass on the call to employees that we would have on standby whether it's sewer related standby or highway related issues.

Alderman Osborne asked how much does that save right there...that's what I'm talking about, what's the savings there?

Mr. Thomas replied well the savings is \$135,531 in salary and benefit costs and another \$36,823 in overtime.

Alderman Osborne stated that's just for that portion of what we were talking about instead of the switchboard.

Mr. Thomas stated that's correct.

Alderman Osborne asked how much did it come to almost two hundred thousand dollars?

Mr. Thomas replied one seventy.

Alderman Lopez stated one note on that. If you go to a switchboard operation I remember that we increased the steps for the three dispatchers so one of the requirements and maybe Human Resources can help me out here but one of the things was that they were equal dispatchers on a 24/7 like the Police Department.

Mr. Thomas stated they weren't at the same level as the Police Department. There was an evaluation and an upgrade to the dispatchers some time ago and the reason being was that they have the authority to dispatch out to three plows on their own depending on weather conditions and they're making the decisions on what crews to call in...if there's an emergency say a sewer backup or a cave in on the street.

Alderman Lopez stated I agree with you but one of the other things that they were on 24/7 is that correct.

Mr. Thomas stated yes...the dispatchers have always worked 24/7 except for the period of time for two years prior to May of 2002...we tried going with an answering service over the summer months for about a two-year period and then in May 2002 we went back to full-time dispatching seven days-a-week.

Alderman Lopez stated for the Human Resources Director...would there be reevaluations of those positions if this was changed?

Mr. Thomas stated those positions are proposed to be eliminated by this proposal.

Alderman Lopez stated I realize that.

Ms. Lamberton stated in part...the reason why they were increased a grade was because of all their independent decision-making because they were working nights and weekends when the management wasn't physically present so that was part of the decision-making to increase them that one salary grade so if they were working just Monday to Friday 8 to 5 I think we probably would look at them to see if it's still appropriate of a grade.

Alderman Lopez stated just so that I completely understand...are you talking...how many actual bodies are you talking that there's a possibility that if this budget goes through would leave City services?

Mr. Thomas replied there's nine positions in the Highway Division that have been identified to be eliminated. Now those positions based on the union contract are allowed to bump

down to a lower position that they are qualified to fill by seniority all except for the first one...the first person on that list doesn't have any bumping abilities because it's a non-affiliated position so it doesn't fall under the union contract but the other 8 would have the ability to bump in.

Alderman Lopez stated so the actual 9 bodies you'd actually lose.

Mr. Thomas stated we would be losing those positions forever that is correct.

Mayor Guinta stated let's just clarify this...get this out on the table. There's a difference between firing those people or laying them off and what the Highway Director is stating. So, can you clarify just so that everybody understands because with the exception of position, item one is non-affiliated so we can take that separately but the other eight.

Mr. Thomas stated the other eight plus the two people at the Traffic Division because they are part of the AFSCME agreement have the right if we eliminate their position, if we eliminate it by not funding it they have the right to bump down into the department, into a position, into a lower position that they're qualified to fill and it's based on seniority. So, if it's a lower...say the dispatcher position...if that dispatcher is capable of driving a truck he can drop down into an equipment operator position, bump a person out, take that position...the person that was in that truck drivers position would get bumped out, he would bump down to another lower position say a refuse collector...the refuse collector which was there would be ultimately bumped out. Now, what I had said earlier...we have 8 vacant positions and hopefully by the first of the year we'll have more vacant positions.

Mayor Guinta stated so those employees would still be employed at the Highway Department.

Mr. Thomas stated that's correct. If the employee's that are in these positions now they would still be employed in the department but at a lower position.

Alderman Lopez stated just doing another job.

Mayor Guinta stated and for one year they're at the same rate.

Mr. Thomas stated they're at the same pay grade for one year so they don't lose any of their salary for the first year but then in the second year they would drop in salary down to the position that they hold.

Alderman Lopez stated since you're more familiar with the union contracts that some I think Parks is under the same union contract aren't they with Highway.

Mr. Thomas stated that's correct. They would fall under the same Master Agreement.

Alderman Lopez stated so they would have the same opportunity.

Mr. Thomas stated but internally they can't bump into my department.

Alderman Lopez stated they can't bump into your department.

Mr. Thomas stated no it's in their own department.

Alderman Shea stated you did clarify when the snow removal operation is in effect there would be dispatchers because we all get calls about snow removal and what not so a dispatcher would be on duty is that correct.

Mr. Thomas stated a dispatcher will be on duty while there is an active snow removal operation going on based on this proposal. After all the crews have gone home the dispatcher will go home too and if a complaint comes in after that we would go through the answering service.

Alderman Shea stated when we have a snowstorm.

Mr. Thomas stated this would be after the snowstorm, after we think we have everything taken care of. Say somebody comes home from work and their driveway has been plowed in or something and they feel it should be addressed by the Highway Department.

Alderman Shea stated we get a lot of calls believe me when the snow is falling...big snow, little snow, little snow, little snow, big snow...but, my point is Frank there will be someone that would be available during a snow storm to help out the Aldermen...we get streets aren't being plowed, they forgot this street or that street.

Mr. Thomas stated when there's an active snowstorm going on the dispatchers will be there and also we normally have our reception fielding calls.

Alderman Shea stated my other point is when there were discussions about the Traffic Department being brought into Highway there was a concern on the part of the Traffic workers that they would be the last ones in and the first ones out and it has come to fruition here.

Mr. Thomas interjected I disagree with that 100% Alderman.

Alderman Shea stated okay explain then.

Mr. Thomas stated even though our budgets were lumped together by the Mayor under this proposal the Mayor still prepared three separate budgets...he prepared a Traffic budget, a Highway budget and a Facilities budget. The Traffic budget was cut that amount in salaries. The amount of the new position and two additional positions. So if you look at the Traffic Department, the Traffic Division budget by itself those cuts were identified in what the Mayor proposed...so they're not being impacted one iota by being associated with us. The benefit that they have is that if they were a separate department now and they got those salary cuts those two positions would be in the unemployment line, however, where they've been folded into the Highway Department, Highway Division as a division of Highway they have the rights to bump in my people. So, quite frankly, those two employees will wind up bumping out two of my employees.

Alderman Shea asked how many people are in the Traffic Department now, Frank?

Mr. Thomas replied under the sign painting section there is 7 employees, one is a sign painter and the other six are maintenance workers and one maintenance supervisor.

Alderman Shea stated so out of that group there are two that are going to be eliminated.

Mr. Thomas stated that is correct...positions are going to be eliminated.

Alderman Shea stated so if that keeps going pretty soon there won't be anyone there if you keep eliminating that particular department.

Mr. Thomas stated first of all Alderman I'm not eliminating...

Alderman Shea stated what I'm saying is if someone is eliminated...in other words eventually you won't have to absorb Traffic there just won't be a Traffic.

Mr. Thomas stated again speaking with the Mayor last Thursday I think part of his thought process was that he was going to look at potentially putting together an annual funding source out of CIP for long line painting similar to what Nashua does and some of the other municipalities. The remaining staff of four would still be able to do some long line painting and crosswalks.

Alderman Shea stated may I ask these two proposed existing Traffic maintenance workers...how much time have they spent in the Traffic Department...are they new employees, are they 10-year employees.

Mr. Thomas replied no they're not. I think one of them has about 15 years.

Alderman Shea stated 15 years and that person's job is going to be eliminated and he can be absorbed into another job at Highway at the same rate of pay for one year but then he will lose or she will lose their pay.

Mr. Thomas stated that's correct.

Alderman Shea stated I don't know how we're dealing with City employees now but how about the other person.

Mr. Thomas stated you keep focusing on two Traffic employees...I'd like it also focused in on 9 positions in the Highway Division that have been identified to lose their positions too...equally as important to the City.

Alderman Shea stated basically you're focusing in on people in the Highway Department who are newly hired...they don't have 15 years.

Mr. Thomas stated no I disagree with you.

Alderman Shea stated you do...there are people who will be.

Mr. Thomas stated some of the positions that have been identified...one of the positions that we've identified under the Highway Department cuts has 32 years of service with the Highway Department.

Alderman Shea asked which one is that?

Mr. Thomas replied Kevin is informing me the maintenance mechanic that has 32 years of service with the department.

Alderman Shea stated so he will be laid off too.

Mr. Thomas stated he's not going to be laid off. The position will be eliminated and he will be forced to bump down to a lower position.

Alderman Shea stated so he's one person out of the other.

Mr. Thomas stated again I can give you the age but these other positions are not brand new positions that I've got up here...dispatchers all have I'd say in 10 to 15 year timeframe if not more but I can get you that information...I'll get you the years of service for all of the positions.

Alderman Shea stated I think that would be helpful.

Mr. Thomas stated I would be glad to.

Alderman Shea stated one other plug I'd like to mention if I may, your Honor. I really think that we have people working in the Traffic Department that handle the electrical problems that are connected to that and I'm hoping that these people aren't going to be the next people that will be identified as being not essential...that's not the case is it Frank?

Mr. Thomas replied first of all I'm not identifying these positions. The Mayor has put together...

Alderman Shea interjected whatever I'm sorry.

Mr. Thomas stated you as an Alderman have the ability to accept the Mayor's budget or to modify the Mayor's budget. I don't want to see any people go. I think employees in the City are the City's best asset and I think as I mentioned earlier that keeping a high number of vacancies to meet a salary cut and eliminating these positions when you add it all up you're talking in Highway alone up to potentially 20 positions...20 positions out of 183 are going to be impacted.

Alderman Shea stated when you say the dispatchers how many dispatchers are there now?

Mr. Thomas replied 3.5.

Alderman Shea stated and you're laying off three of the dispatchers.

Mr. Thomas stated three.

Alderman Shea asked who's going to work during the day and who's going to be...

Mayor Guinta interjected it's not a layoff...we need to make sure this is clear so everyone in the room understands the difference and the public understands. It's not a layoff and Frank has said that I've said...it's not a layoff. It's a position elimination...that person goes to a different position within the department and is retained as a Highway employee.

Alderman Shea stated when I call, I call at all hours of the day and night okay. When I call there's a dispatcher. You're saying right now there won't be any dispatchers or there will be...I'm confused here.

Mr. Thomas stated as I mentioned we have what I call 3.5 dispatchers. One dispatcher is a dispatcher loader operator. What we're proposing here under the Mayor's proposal is to keep one dispatcher who will work a 9-hour day, five days a week and work during a

snowstorm. The other three positions will be cut...two dispatchers and the dispatcher loader position. Those are going to be eliminated. Those positions will have to bump down into the system.

Mayor Guinta stated let me just remind you and I'll get to everyone's questions. Let me just remind everybody that again and I said it last night and I'll say it again today. We have \$4.8 million in new dollars to spend. So I've done the best that I can do to appropriate them the way I think we need to appropriate. I can tell you that the Highway Department has worked very close with me to try to come up with something that is acceptable to them and I hope generally acceptable to this Board. Do I understand that this is somewhat challenging for Frank of course it is but again we have to start looking at how we can keep service but be more effective in how we deliver the service. We're not trying to dramatically change or eliminate a service we're trying to figure out a less expensive way to make sure that we still get that service across. In example of the snow storm the dispatcher becomes an emergency personnel rather than their 24 hours-a-day...they come in when the snow storm begins, they work their shift until the streets are cleared, when everything is done they go home...that matches the peak hours that we see for calls. What we're trying to do is eliminate the time particularly during the summer when you get very, very minimal calls during the evening. We're paying for that and I think we can probably utilize those resources in other areas within the budget so I just want to make sure that's understood by the Aldermen and by the public. Now we do have a long list let me keep going here.

Alderman DeVries stated just since we're talking about the dispatchers I have a couple of questions to go with that. I know that they perform more than just receiving phone calls from us and from the public. They also coordinate some emergency backup for Fire when they have...whether it's automotive fuels, icy conditions, wires/pole issues...are you planning on consulting on how you're going to reshift some of the emergency backup.

Mr. Thomas stated first of all you are correct. We're going to have to reactivate our security system in the building itself, we're going to have to start locking the gates at night or during working hours...other than normal working hours so if somebody wants to get a load of sand won't be able to come in on a weekend to pick up the sand. One of the other big aspects of a dispatcher besides the snow issues is to respond to calls when people are getting sewage backup into their basements if there's a sewer line plugged or if there's a cave in in the street, they also do as you mentioned coordinate with Police and Fire if there's a bad accident or if there is some kind of spill the dispatch coordinates calling in a sweeper or calling in someone to put up barricades and that...that will all have to go through the answering services those types of requests for services. As I mentioned we did this for two years and we went back full-time in 2002 and some of the reasons we did have problems back in that time period with the answering service not relaying on the messages properly to our people so that some responses to sewage backing into basements we were able to respond pretty quickly. If you saw my write up I think I included in the letter if we do move

forward with this proposal for dispatching we've got to make sure we've got an answering services that's definitely going to live up to our expectations and we're going to have to have the Police be our eyes and ears so that they're the ones that are notifying our people when they feel that conditions are deteriorating out on the roadways so that we can call in our crews.

Alderman DeVries stated an additional question if I might because I know the last couple of years especially we've been trending shifting some of what used to be private contracts into in-house construction projects...some small, some not so small. We've been accomplishing those construction street projects in-house because we needed to save money basically the bottom line. You were able to complete the projects in-house for less money what's the impact going to be here because that's been very useful to us Aldermen to stretch our dollars and get more done or get a project done at all.

Mr. Thomas stated again when you're losing up to potentially 20 bodies in the Highway section alone or Highway Division alone that's going to have a trickle down effect. We've tried to identify positions here to be eliminated that will minimize that impact but again if you're going to maintain a vacancy of 10 or 11 to meet the 4% goal and then you have these cuts at any one time you have 20 people out and then you have vacation, sick, accidents this and that...that greatly reduces your complement and does have a trickle down. Obviously, we're going to make every effort in the world to minimize that impact but I can't sit here and say that there aren't going to be any impacts in anything that we do.

Alderman DeVries stated I know I have one project I hope to have done in-house and it's been on the books waiting for completion for a few years. Do you think...I would assume that there are other projects that were not done last year that may be already funded...can you put together some sort of list and let us know if there are outstanding projects.

Mr. Thomas stated certainly. Actually, this year was a very good year for us as far as construction. We really didn't shut down our sewer construction crews at all this year except for small periods of time when we had a storm or what not...we got a lot accomplished so if anything we might be ahead of our original schedule but we can get that for you.

Alderman DeVries asked will that also equate the actual change if we have to do any of the work out of...in private contract versus doing it in-house, will you let us know. It's only going to be saving us money in the budget if we're not spending it some other way.

Mr. Thomas stated we definitely will if we get to that point.

Alderman Garrity stated at a meeting this past Thursday at City Hall am I mistaken...were you projecting a \$1.4 million surplus in the '07 budget on Thursday.

Mr. Thomas stated there was an error on that sheet...we were rushed to put it together. If you take a look at the sheet we gave you that day we didn't have any more street lighting costs for the rest of the year. Street lighting alone was...

Alderman Garrity interjected that's a \$400,000 item.

Mr. Thomas stated three hundred thousand and something dollars.

Alderman Garrity asked do you have a copy of that sheet that we had on Thursday, I don't have it with me.

Mr. Thomas stated I can get you that but that was the main...as I mentioned we run through that because I was getting all kinds of calls regarding how much of a surplus and unfortunately when we rushed to put that sheet together that was an error by that amount and we can get you a copy of that.

Alderman Smith asked Frank do you have your helmet on? Frank, I'd like to talk about the dispatchers, I think I have a little bit of experience. I think it should be definitely 24/7 like Alderman Shea said we have trees down so Mary is going to get on the phone and who does she call for the tree that's down...the answering service. You have a traffic light or standard down...it's an electrical situation...who's going to respond in a timely fashion...these exist. Out in May we had that awful storm where all the trees went down...it was just worse than a snowstorm. I get calls all the time and most calls I do get I'll tell you are traffic related...somebody wants no parking, somebody wants a crosswalk, somebody wants this and that. I can't believe that we would eliminate the dispatchers...it's the most vital position in the whole Highway Department and in fact they do a public service for the Police and Fire and I can't understand how you would even as a department head would even realize that you would cave in to not having dispatchers...I think it's the most essential person in the whole department. Can you respond to that please?

Mr. Thomas stated when we received the Mayor's directive to submit 100% budget and 97% and a 102% we looked at our 100% budget bottom lines and the first thing it became apparent we had salary increases to deal with, we had contractual obligations to deal with, we had increases in street lighting costs that we had to deal with not to mention increases in benefits, etc. all the way down the line. We tried to put together some scenarios of how we were going to meet the Mayor's directive. Last year during the budget process we had a long discussion with the Mayor regarding his proposal to go with an answering service along the lines as he mentioned tonight. When we started making cuts we felt that once we did sit down with the Mayor this was going to be a subject that he was going to be bringing up again and so we identified that as one of the potential cuts to meet the bottom line. Thursday when we met with the Mayor I kind of reviewed what I thought was his thought process in coming out with a salary line item and we're in agreement that he did pick that as...the

dispatching as one of the areas to be cut. So that's why it's being proposed. Between you and I I don't want to see any of these proposals go through. I would rather see...just give me a million dollars or two and I'll go home happy and carefree but I think it's up to you as part of the decision-makers to decide what is important.

Alderman Smith stated I think services are very, very important and I think that the taxpayers want these services, they want their roads paved, they want their garbage picked up and I'll just give you an example...black ice on the bridges. You know as well as I do the first thing that freezes are the bridges...are we going to have the Manchester Police looking at the bridges where we have crime in the City, give me a break! Services are the most important thing we can do for our taxpayers...there's a cost and I agree with that and that's one item...the dispatchers. In regards to Traffic as you well know I was against consolidation from day one...the Traffic Division...we have these workers, they maintain a service and I think my colleagues Mr. Osborne and Mr. Shea will say that they get a lot of calls for no parking signs...who's going to put them up...Mary and Sue or experienced personnel. We're losing all the services for a nickel and dime and I can't believe this is happening and I'll tell you I'll be one fighting for the services for these municipal employees, thank you.

Mayor Guinta stated I would argue that these are not service cuts these are different ways of trying to appropriate the dollars.

Alderman Smith stated can I answer that, Mr. Mayor.

Mayor Guinta stated I will please let me finish, Alderman, and I'll be happy to let you answer. Frank just said that if you give him \$1.6 million he'll be happy and he'll go home. If this Board would like to make that decision and the Board is faced with that then you're looking at a tax hike versus a tax cut...do you want to do that for every other department and not look at different ways to try to deliver services effectively we can do that but I think that we ought to look at ways to try to deliver that service in a more cost-effective way...that's what I'm asking this Board to look at. I understand that change is challenging for some of us here but again if we can keep the service but have...what was the cost on this one...\$135,000 plus overtime right.

Mr. Thomas stated that is correct.

Mayor Guinta stated if we change from 24 hours to 45 hours a week plus emergencies...let's try it. If it doesn't work then we could look at bringing it back next year...all I'm asking the Board is to look at the changes, look at the ways we can change service and impact positively tax payers. I have no doubt that we'll continue great service but if we can provide it at a little bit of a lesser cost to taxpayers I think we ought to at least try it.

Alderman Smith stated I think it's somewhat of a joke when you say you're going to eliminate the positions and not say it's a layoff. Could you explain that?

Mayor Guinta asked is that person being laid off...yes or no?

Mr. Thomas replied no.

Mayor Guinta stated okay thank you.

Alderman Smith stated but the position's going to be eliminated so if you go Frank like the union contract what happens to the guy down below.

Mr. Thomas stated for every person that's been identified here somebody will go and leave the department at the lower end that's why I mentioned early on we have 8 vacancies now and hopefully I can arrive at some more vacancies so that I'm not actually laying off anybody but again as I mentioned a few times it is affecting my total complement.

Alderman Smith stated like 20 bodies.

Mr. Thomas stated potentially when you add in vacancies.

Mayor Guinta stated again we asked Frank to do this last year, he did it at a 3% and he's got a million-dollar surplus so it can be done and we can still provide service. So these are options that we've looked at in the past, we're looking at them again. I hope some of them are implemented even if you try it for 12 months, 12 months. If it doesn't work you can always revert back but try something different to be a little bit more cost-effective. I don't see at least the problem with having that discussion.

Alderman Forest stated first let me see if I can get this straightened out about layoff or no layoff...we're all bringing it up and apparently none of us are...at least I'm still confused. Let me explain how I'm understanding it right now and tell me where I'm wrong. With the items on the top that you're going to be saving \$443,045 does that include that first position which you said if not being funded by you?

Mr. Thomas replied included in that total in order to refund all of those positions, add enough money into the budget to cover those 9 positions that have been identified to be eliminated I would need \$443,045 in salary and benefits. The first position on the list is a non-affiliated position which means once that position has been identified to go there is no bumping rights...that position I guess you could say is a layoff.

Alderman Forest stated let me ask you a question that my 8-year-old grandson would ask because he's studying math now. You've got 9 guys standing on a ladder, you've got one

guy on the dock, everybody drops down a step...at least from my addition the guy that's on the dock is going into the water.

Mr. Thomas stated that's correct.

Alderman Forest asked how can you say that if everybody...eliminating these positions everybody's going to bump everybody off on the bottom there's somebody on the bottom that's not going to have a job.

Mr. Thomas stated that's correct if I had a full complement but right now as I mentioned I have 8 positions that are vacant. So, those people have already fell into the water so now with those 8 I have 8 people that can bump down without anybody losing their jobs. My complement is going down but nobody's losing their job other than that first person.

Mayor Guinta stated just because we're on that first person...that first position...let me just address that and then you're back to Alderman Forest. If the Board remembers we tried central purchasing last year, it was adopted in part. So it wasn't central purchasing it was a coordinated purchasing is what essentially it became. There are two positions that were in that budget last year in my proposal. One in this budget is funded and one is not. The simple solution to restoring that position and this Board can act on it anytime between now and then end of the fiscal year so it doesn't impact that person is to simply either adopt a policy as a directive or an ordinance and it can read "all departments shall participate to the fullest extent possible in the purchase card program established by the City of Manchester operated through the Finance Department"...very simple. The revenue from utilizing the purchase card system that we have already implemented would pay for that position...more than pay for that position. So that can be done at any time and then case closed on that particular position. That's something I encouraged this Board to do last year, I'm going to encourage you to do it again...try something new. We have the purchasing cards...I was issued one. The departments were issued one, all I'm asking you to do is essentially issue a directive that they use it because it's like a discover card, we get a percentage back at the end of the year, it's a simple as that. If you don't want to do that we'll find a position for that person within the City because this is not a layoff situation but I would encourage the Board to adopt that policy and again try it for 12 months. I guarantee you it's going to not only save that position but it's going to add revenue to our bottom line.

Alderman Forest stated I know Alderman O'Neil wants to ask a question.

Mayor Guinta called upon Alderman O'Neil.

Alderman O'Neil stated I chaired the committee that helped put together the coordinated purchasing program...it's very good for you to stand up there and say that's true...the biggest issue is not the department's willingness to participate...many of our largest supplies

and vendors do not accept these purchase cards. I've heard that time and time again from the departments, Frank, am I correct?

Mr. Thomas replied yes.

Alderman O'Neil asked can you buy asphalt with purchase cards?

Mr. Thomas replied not right now.

Alderman O'Neil asked can you buy salt with purchase cards?

Mr. Thomas replied not right now.

Alderman O'Neil stated that's a little misleading to say.

Mayor Guinta interjected you're talking \$50,000, Alderman. If you make \$50,000 that position is funded.

Alderman O'Neil stated I'm not aware...I thought the Board had already taken some action maybe not by action but a policy regarding that.

Mayor Guinta stated no.

Alderman O'Neil stated I thought it was pretty clear the directive from this Board when this program...coordinated purchasing program was put together. If someone is not carrying, not utilizing it where they can I'd like to know who that is. But, it's also misleading when the largest suppliers and vendors in the City do not accept P Cards. We were sold a bill of goods that they would, they don't. So, we need to put that on the table here, your Honor.

Mayor Guinta stated fine. Not all of them accept it today, however, if you issue a directive we have two people who would be charged with the responsibility for 12 months to work with those vendors...it's essentially like a VISA or a Master Card.

Alderman O'Neil stated I don't disagree with the concept. We can't tell those vendors to accept this.

Mayor Guinta stated we can work with...we are a very large customer.

Alderman O'Neil stated are we going to say...what do we have for options...two or three asphalt suppliers to buy asphalt they have to take it or are we going to go someplace outside of Worcester to buy asphalt.

Mayor Guinta stated why not try...answer me why not at least try.

Alderman O'Neil stated I believe that was the responsibility of the vendor that was selected on these purchase cards and then all of a sudden halfway through this program there was a shift and now it became the City's responsibility to get the vendors...that's not how it was presented originally.

Mayor Guinta stated let's assume that's true. We have two people employed by the City of Manchester who could be charged with the sole responsibility of working with these vendors to try to show them why this is a credible and reasonable form of payment. Again, just so the public knows it's like a VISA card that's all it really is. So, let's just try it, if it doesn't work it doesn't work.

Alderman O'Neil asked your Honor can you tell me tonight who's not attempting to utilize the P Cards.

Mayor Guinta stated within the City.

Alderman O'Neil stated correct.

Mayor Guinta stated I don't think we should go down that road here at this point.

Alderman O'Neil asked can you tomorrow provide me a list of who that is?

Mayor Guinta stated I can tell you right now, I could tell you what the problems are right now but the major problem is that there has not been a directive by this Board or an ordinance that has instructed...well, you know what that's what's going on within that department.

Alderman O'Neil asked can you tomorrow, your Honor, supply for us tomorrow department's there are issues with.

Mayor Guinta state sure I'd be happy to do it.

Alderman Lopez stated just a clarification, your Honor. There was a directive from the committee.

Mayor Guinta stated I will tell you I've talked to that department who doesn't feel that they have the support to go and force departments to utilize this.

Alderman Lopez stated at the same time, your Honor, each month that individual is responsible to come back to the committee and give us that information of what department head doesn't want to do it.

Mayor Guinta asked has that happened?

Aldermen O'Neil and Lopez both replied no.

Mayor Guinta stated then that's going to have to change because in my view if we can get that program up and running to where I think it should be position number one is off the table and not a problem. Okay now back to Alderman Forest.

Alderman Forest stated these positions here would be if this budget passes would go into effect or eliminating these positions would go into effective July 1st.

Mr. Thomas stated that is correct.

Alderman Forest stated their salaries would not change for a year.

Mr. Thomas stated that is correct.

Alderman Forest stated so we're not going to see any savings at all until July '09.

Mr. Thomas stated you see a savings by not filling those lower positions and that's based on those numbers that you see there. The numbers that you see to the right are not the salaries of those actual positions...they're the salaries of the bottom people that we have budgeted for that are vacant for right now.

Alderman Forest stated say from five at night until seven the next morning you have an answering service...what would that service cost your department to implement?

Mr. Thomas replied we've budgeted I believe around \$6,500 for that service. Hopefully that's on the high side.

Alderman Forest stated and then you said that from those hours you would have to close the gates and reactivate your alarm system...there's a cost to that correct?

Mr. Thomas stated to reactivate the alarm system, do some minor repairs there'll be a cost but we really didn't identify it.

Alderman Forest stated but there will be a cost to turn it back on and have it monitored.

Mr. Thomas stated negligible.

Alderman Forest stated the other thing I know Alderman DeVries and Alderman Smith mentioned it as well as Alderman Osborne about some of us do call at night and on weekends...now we get an answering service. I've worked with answering services before...you call them, they take your number down, three, four, five hours later you get a phone call from somebody...there's going to be a real time delay here from eliminating a dispatcher which I know you fought hard to get.

Mr. Thomas stated we tried it somewhat a few years ago and the Aldermen demanded that we bring it back on a 24/7 basis.

Alderman Forest stated I was on the Human Resources Committee when we did that.

Mr. Thomas stated possibly I don't remember who but you're hearing the Mayor he wants to try it again.

Mayor Guinta stated we have other options here. We can try other reforms within the department this is one that I thought made some sense. If the Aldermen don't like it we can look at some other kind of reform.

Alderman Forest that one more question and then I'll relinquish my time and this is again if we're not using the service then we might as well not pay for it so that's my thing and you can move on, your Honor.

Alderman Roy stated I don't want to belabor a couple of conversations but it's hard not to. First of all and Randy's been instrumental in the P Card...Randy, do we get 1% back up to the first \$10 million spent...just a quick yes or no from the audience and I'll repeat your answer...%5 on up to \$10 million...after the first five we get 1%. So, to add some fuel to this P Card discussion our total citywide supplies the material by category line item is \$4.1 million. So, when I was doing 1% we're talking about \$41,000 that we get back at the end of the year and a position that costs us \$44,000 so I'd like to see how and if Randy you want to supply the Board with information that would be great to see how this benefits us...that's not really what I want to talk about tonight with Frank...we've had some conversations and I want to get to positions. I do agree with Alderman Forest that when you bump people down someone at the bottom of the ladder gets bumped out of the City's employ...that being said whether we call it layoffs, bumping someone down, shifts in personnel...whatever nice face we put on it we're impacting 11 lives.

Mayor Guinta interjected let me just reiterate it's not a layoff.

Alderman Roy stated whatever name we put on it.

Mayor Guinta stated let's just be honest with everybody...it's not a layoff, okay.

Alderman Roy stated your Honor I'm not using the word layoff and calling it a layoff I'm saying no matter what we call it we're impacting 11 lives.

Mr. Thomas stated it's a reduction in complement.

Alderman Roy stated okay I'll call it a reduction in complement from now on. Frank, in that reduction in complement there's a number of positions that are quite important to me...the dispatchers, the drop-off supervisor...I personally think it's our duty as Aldermen to have someone in emergency services which I do consider the dispatchers and they're graded that way that we have the 24-hour service and when the Mayor says let's try it for a year and go back...we're still impacting people's lives and it has been tried a number of years ago prior to me being here and we came back to 24-hour dispatchers. So, I for one would like to see those taken off the table. The other conversation that I'd like to have is the drop-off supervisor...my understanding of that position is that's the buck stops here person in charge at our drop-off facility center correct.

Mr. Thomas stated that is correct.

Alderman Roy stated so if someone comes in with solid waste and the scale operator isn't sure if it's hazardous or not that's the person that makes the decision whether or not it's accepted at our landfill correct.

Mr. Thomas stated that is correct.

Alderman Roy stated and they're on site at our drop-off during the hours of operation naturally except for sick time and holidays/vacation.

Mr. Thomas stated that is correct.

Alderman Roy stated I for one think we're opening ourselves up to quite a bit of liability by not maintaining the service we have at our drop off. I know there are going to be changes there over the next few years that I think could incorporate some of these positions but I think that having someone based in administration downtown no matter how qualified that person is is a far cry from being at our transfer station on Dunbarton Road...would you agree or disagree with that?

Mr. Thomas replied there's going to be impacts. What we envisioned was taking the recycling coordinator and combine the duties of the recycling coordinator with the duties of the drop-off supervisor. Now you're correct...when you're melding two duties together and

part of that duty as recycling coordinator is to go out and promote recycling or meeting with Mr. Corcoran on the proposal being developed there may be periods of time when that person is not going to be sitting right up at the drop-off area but there's still other people that are there and if there was something questionable I think a call or a radio message but again none of these proposals don't come with some impacts. Obviously, if you have two positions and you're folding it into one there is going to be some impacts somewhere along the line.

Alderman Roy stated I don't disagree with you. I look at this and I'm appalled at the number of suggestions. A number of these workers have been with the City for quite a long time and they're all based on constituent service.

Mayor Guinta asked do you have an alternative proposal to keep the tax rate low because we could look at the \$2.2 million that we're spending at Highway in supervisory positions and look at it from that perspective. We could look at it from guys who are at the facility in administration and look at the amount of millions of dollars we're spending over there. Let's not shoot down every proposal...let's come up with new ones.

Alderman Roy stated your Honor if I could have the floor back...right now I'm in a fact-finding mode and I have been one that has proposed a number of recycling programs, a number of solid waste compliance programs, a number of changes to ordinances to keep our tax rate down so when we look at costs dispersed across the City it doesn't always have to come on the back of the laborer or the worker and that's one of my next questions.

Mayor Guinta stated fine look at administration over at Highway.

Alderman Roy stated that was my next question. Frank, all of these titles are mechanic, worker, technician...we hear comments that you are getting top heavy there. Can you comment.

Mr. Thomas stated I'd like to know who keeps spreading that rumor and I'd be glad to sit down with them. I pointed this out to the Mayor and others when I've heard such statements made. We have 130 people that are out in the field on a daily basis...most of those people are out on small crews. When you add up the supervisory staff to the supervising that 130 people we have 6 non-affiliated employees. Some of those employees like the chief of highway operations he's not running around the City making sure every crew is working, he's got other tasks such as determining the resurfacing program and what not. So, when you have 130 people out and you have 6 supervisors the employee to supervisor ration I think is up in the 22 range. I'd like you to point out any other department in the City that has a greater supervisor to employer ratio and we can go from there. Do we have office staff, yes. We have engineering staff...that engineering staff I believe pays for itself as Alderman DeVries mentioned we do a lot of designs in-house, those designs go out to construction. If

we can eliminate consultants and we've had a lot of discussion on consultants tonight...if we can save on those consultants by having survey crews and engineers...those are non-affiliated...should I be cutting those. I suppose I could cut myself but I bleed.

Alderman Roy stated it's just that looking at this we always get calls and we always look at things and I hear it from the Fire Department that they've weaned down their staff, Library's weaned down their staff...so, when we look at positions being cut it always seems like...as Alderman Forest said...someone ends up dropping off the bottom of the ladder.

Mr. Thomas stated just to touch back on that again out of the nine cuts in Highway one of those positions is an administrative position...it's one that is not part of the union and we've had a discussion about that. Another position is a non-affiliated position. Basically what we're doing is doubling that person's workload by consolidating the recycling coordinator with the drop-off supervisor. So management supervisory staff is being impacted by these proposals.

Alderman Roy stated one other...quick question on the dispatcher math...\$74,700 in salary...the base for that is \$30,190 how do you come up with that.

Mr. Thomas stated as I mentioned the salaries and benefits that have been identified on the right-hand side are not the salary and benefits of the positions that are being eliminated. What the salaries and benefits are reflecting are the people at the very bottom because those are the only savings that I get by eliminating those positions this year.

Alderman Roy stated so you're not saving \$74,000 by bumping down the dispatchers you're saving \$74,000 by the bottom rung.

Mr. Thomas stated that is correct.

Alderman Roy asked how many shifts of these 11 positions, how many steps, how many rungs to the ladder are there?

Mr. Thomas replied it depends on what is the next position say a dispatcher is qualified for...if he's qualified to be a loader operator that could almost be the next position down. So there could be three or four people. In some cases it may only be two.

Alderman Roy stated so there could realistically be 36 employees impacted if there's an average of two or three steps per.

Mr. Thomas stated definitely.

Alderman Roy stated I do think this is a very serious problem looking at this and how we're going to fix that we'll leave for another day. Twenty-hour service is mandatory in my opinion. Thank you, your Honor.

Alderman Gatsas stated Frank I know everybody's given you accolades that you manage your budget well.

Mr. Thomas stated where have you been.

Alderman Gatsas stated you managed your budget well because you have a million dollar surplus...the Mayor says that you've managed it well, I think you've done a great job because when you came to us last year you said give me a number and I'll deal with it. However, I think Mother Nature managed your budget well...let me finish please and then you can interject because I might be good to you right now, so be careful.

Mr. Thomas stated that'll be a first.

Alderman Gatsas stated it would be so be careful...so, I'm looking at some numbers here and I'm looking at a surplus that you have in salt of \$294,903.

Mr. Thomas stated correct.

Alderman Gatsas stated I see that you have a surplus in overtime of \$164,811 and I attribute those two to Mother Nature.

Mr. Thomas stated a hundred percent.

Alderman Gatsas stated so those two numbers total up to \$459,714.

Mr. Thomas stated correct.

Alderman Gatsas stated now I'll give you the credit for managing and you and the Mayor because you had 11 vacancies that you started last year with...did you fill any of those positions? Did you ask for any of those positions to be filled?

Mr. Thomas replied I was not part of the freeze.

Mayor Guinta interjected this Board gave him the authority to manage on his own.

Alderman Gatsas stated so you had 11 vacancies.

Mayor Guinta stated so he didn't have to come to me for anything.

Mr. Thomas stated I don't remember the number I started off with.

Alderman Gatsas stated you're showing us on this sheet that there's 11 vacancies...this white sheet that you passed out along with the colored sheet.

Mr. Thomas stated no what I'm showing you on that white sheet is in order to meet the Mayor's 4% salary cut this year I'll have to have 10 to 11 vacancies.

Alderman Gatsas asked how many vacancies do you have now?

Mr. Thomas replied about eight.

Alderman Gatsas stated so if we use that eight number in your \$30,000 that you showed me at the top here that's \$240,000. If we take \$240,000 and we add it to the \$459,714 and we add \$240,000 to that that means \$700,000 of that one million that you managed your budget well really was there and it didn't...you managed \$300,000 to save. So, if this Board took a position right now because you have a surplus and we can do it because we did it last year during the budget cycle to give you \$655,000 in the salt line item, replace \$379,120 in your wage line item that the Mayor has, replace \$164,813 in your overtime line item that gets you to \$734,000 and I get you close to about \$650,000 back and it leaves a surplus of \$390,780.

Mr. Thomas stated sounds good to me so far.

Alderman Gatsas stated well that's the best I'm going to give you, you're going to have to manage your budget again and hope that Mother Nature gives you another million dollar surplus. So, your Honor, I think we as a Board right now can make a motion that we take of the one million dollars surplus that's there projected this year that we buy salt for \$650,000 in the '07 budget, replace \$379, 120 in the wage line item, replace \$164,811 in the overtime budget and leave his management there...now, I can do it slower if it will help you.

Alderman DeVries asked will that guarantee that they will not be able to touch him?

Alderman Gatsas stated let me go through it so everybody sees it.

Mayor Guinta asked are you changing the bottom line?

Alderman Gatsas replied no I'm not touching the bottom line here.

Mayor Guinta asked where are you getting these numbers from?

Alderman Gatsas stated what I'm doing is I'm taking the \$655,000 that you have in your Mayor's adjusted in salt.

Mayor Guinta asked for which fiscal year?

Alderman Gatsas replied for '08...\$655,000...he says he needs another \$30,000.

Alderman Roy stated the Mayor did \$625,000.

Alderman Gatsas stated if that's going to make everybody a lot easier to work with we'll do that. We take that line item of \$625,000, we replace that to zero, we buy the salt today with your surplus so you have the salt on-hand...you're pre-buying the salt...this is what we did with the cruisers with Police last year and you were hoping we were going to do it with you.

Mr. Thomas stated I understand what you're saying.

Alderman Gatsas stated so we have \$625,000 to replace in other line items in your budget.

Mr. Thomas stated I only have a surplus in salt of \$290,000.

Alderman Gatsas stated in '08 you have \$625,000 in '08...I'm taking that out and you get zero...I'm going to take \$625,000 and replace it in line items in your budget...\$379,120 in the wage line, \$36,823 in the overtime for the dispatchers and \$218,026 in the benefit line.

Mayor Guinta stated but you're counting \$625,000 twice...you're counting salt and then you're also distributing it...

Alderman Gatsas interjected your Honor I'm taking \$625,000 out of the surplus and I'm moving that in line items so the bottom line does not change...the surplus that you see from Highway goes from \$390,000 and not a million because Mother Nature...

Mayor Guinta asked you're talking about this year's surplus?

Alderman Gatsas replied correct...that's what we did with Police last year as we went through the budget cycle, that's what we did with Fire to buy their equipment through the budget cycle and we did it then when we bought Police cruisers and we can do the same thing today.

Alderman Osborne stated you have to have a public hearing.

Mayor Guinta stated I haven't accepted the motion yet.

Alderman O'Neil stated clarification...wages with that...can you do that with a surplus?
You're talking...I understand if I may, your Honor, we did it with Police cruisers we bought them in the fiscal year '06 correct.

Alderman Gatsas stated correct.

Alderman O'Neil stated with surplus from fiscal year '06. I understand where Alderman Gatsas is going my only question is can you do it with wages?

Alderman Gatsas replied I'm not doing it with wages, Alderman. What I'm doing is pre-buying the salt. There's a salt item line item for \$625,000 in the '08 budget...that will be zero...does not change their bottom line what the Mayor put in.

Mayor Guinta stated what he's saying is take \$625,000 from this year's surplus, buy the salt and it takes the \$625,000 budgeted for '08 and distribute it in the '08 budget which technically you're right we've done this with other smaller items.

Alderman Gatsas stated it still leaves a surplus of \$391,000.

Mr. Sanders, stated yes I understand the proposal. I wanted to specifically talk about salt for a second...that was an example I used earlier this evening that I shouldn't have. At the moment the City inventory salt is charged to expenditures in the year that the salt is used and not in the year that it is purchased necessarily. So, we would have to pick other categories that are non-inventoriable items to use the money like you used it for Police cars in prior years but salt...

Alderman Gatsas interjected hold on...are you telling me that he's got a salt pile that's worth \$294,000 over there.

Mayor Guinta stated well yeah it's sort of sitting there.

Alderman Gatsas asked do you have that surplus over there?

Mr. Thomas replied no.

Alderman Gatsas stated I didn't think you did.

Mayor Guinta stated wait a minute...Mr. Sanders is right. Your department is charged for salt when it's used correct.

Mr. Thomas stated that is correct. But, could that policy be modified. As far as inventory and getting charged for inventories when we use it was something that was implemented

maybe a half-a-dozen years ago when HTE came in and I don't think it required any Board action at that time so is that just a policy of the Board or a policy of Finance.

Mr. Sanders stated I expect it's a policy of Finance and as we had talked last week when we had talked about this example last Thursday I need to do some more investigation my concern being that supplies are treated the same way so if we make a change in salt not to get too accounting oriented on you here but you'd have to potentially change all the other items which you don't want to do because if we have to expense all the supplies that are in inventory that could literally put you in a deficit.

Mr. Thomas stated wasn't it true that every department in the City doesn't run off an inventory system.

Mr. Sanders stated that I do not know the answer to that question.

Alderman Gatsas stated this is a pretty easy thing I don't know why this is so difficult. This is pretty simple. Mother Nature saved somewhere in the vicinity of I don't know \$560,000.

Mayor Guinta stated I understand what you're saying.

Alderman Gatsas stated that was Mother Nature saving, nothing that Frank did.

Mayor Guinta asked how does it impact fund balance for '08?

Alderman Gatsas replied it doesn't affect it because you have a surplus of \$390,000 instead of a million.

Mayor Guinta stated it affects it by \$625,000.

Alderman Gatsas asked how does it affect it...no it doesn't...surplus of this year.

Mayor Guinta stated for '08 and then you'd have to change the fund balance for '08.

Alderman Gatsas asked were you planning on a million-dollar fund balance...you had \$750,000?

Mayor Guinta replied I was certainly hoping.

Alderman Gatsas stated but you were planning \$750,000.

Mayor Guinta stated for a fund balance. You're going to change the tax rate if you're doing what you're doing right now.

Alderman Gatsas stated I'm giving you \$390,000 from this department and \$400,000 from Fire...that's \$790,000 and I haven't even talked about any other department.

Mayor Guinta stated the entire surplus that we achieve in a fiscal year does not go in its entirety to the fund balance it also goes to other accounts.

Alderman Gatsas asked like where?

Mayor Guinta replied it's goes to the Rainy Day Fund, the Tax Stabilization Account...I'm not saying that we shouldn't do what you're saying.

Alderman Gatsas stated with all due respect I have not questioned one hair on your budget but when you sit here and tell me that somebody managed a line item when Mother Nature took care of five hundred plus thousand...we are going to have snow next year and we're going to have ice...it's there, it's inevitable...there's overtime there to take care of it I know we're putting on the policemen but if those cruisers can't get around because there's snow on the streets it's not doing us any good to have that police protection.

Mayor Guinta stated the streets are going to get plowed in the City of Manchester, they always have been, they always will. As a friendly reminder the Board last year when we adopted the salary adjustment policy whereby I would manage the overall salary budget and Frank mentioned it earlier Highway was exempt...this Board exempted Frank. So if the Board has an issue with how Frank managed his budget direct the question to him. I disagreed with that decision last year and if the Board does it this year I would note my objection because at the end of the day as the Mayor, as the elected official I've got to be able to have the ability to manage the budget. What you're suggesting is not at all impossible but at this point it's in the first week of April, second week of April, it's a little...still hard to project where we're going to be with fiscal year '07 dollars. If you remember the decisions that we were making last year was a bit later than it was this year.

Alderman Gatsas stated let me ask Mr. Sanders...you had a meeting on Thursday what did you come up with a surplus? What did you say your fund balance was going to be on that meeting on Thursday because Alderman Garrity had a problem with the \$1.4 didn't appear here today.

Mr. Sanders replied we didn't talk about a fund surplus at our Thursday meeting.

Alderman Gatsas stated you've been looking at it you're the CFO of this City where are you coming up with the number...you haven't looked at that yet and we're going to a public meeting on Wednesday and possibly could approve this budget on Tuesday and you haven't looked at that number.

Mr. Sanders stated on the expenditure side in Finance we believe that we will have a surplus on the expenditure side on something in excess to the million dollars on the bottom. On the revenue side there's a good possibility that we will miss the revenue target.

Alderman Gatsas stated we just heard from two departments...a million dollars here and \$400,000 in Fire and how do you tell us that there is only a million?

Mr. Sanders stated I didn't have the benefit of what Mr. Thomas had handed out this evening but overall looking at the salary surplus and the benefit surplus that we think we're going to generate we were coming up...the benefit surplus to the extent that health care would go into the health care reserve it wouldn't come to the bottom line. So I'm probably being a little cautious but it is just the beginning of April.

Alderman Gatsas asked then your Honor how do you get your \$750,000?

Mayor Guinta replied I think we can manage it through the end of the year.

Alderman Gatsas asked how do you get to the \$750,000 when I have a Finance Officer behind me telling me it's going to be a million and we're going to be short on revenue?

Mayor Guinta replied we'll have to keep managing on the expense side through the end of the fiscal year.

Alderman Gatsas asked do we think it's going to snow in May?

Mayor Guinta stated I certainly hope not.

Alderman Gatsas stated I think this Board needs some more definitive numbers.

Mayor Guinta stated okay that's fine.

Alderman Gatsas stated but I'm still going to make that motion.

Mayor Guinta asked why would we take the motion and pass it or kill it when you just said we don't have enough information.

Alderman Gatsas stated I've got enough information from what I heard because \$1.4 million is \$1.4 million.

Mayor Guinta stated I wouldn't advise on doing that today...April 10th...I'm not evening in as much a rush.

Alderman Shea interjected a point of order, your Honor. There's going to be a surplus of more than \$1.4 million because he hasn't included what the School District is coming up with. So, there's another million they're coming up with. I don't know if they're both expenditures and revenues. So, we're not talking just \$1.4 million...he came up with million plus \$400,000 for health benefits and the School District according to what she said last night they're coming up with at least \$1.2 million plus \$750,000 that they're adding to their trusts...I'm just saying they're coming up with so if you add those figures up you're up around \$2.2 million.

Mayor Guinta stated a lot of numbers are being thrown out. Is it unreasonable to have a Board of Mayor and Aldermen meeting on Tuesday evening, is it unreasonable to give our brand new Finance Officer an opportunity to take a look, a thorough review of what the potential surplus is on the expense side and give us a recommendation as of today's date what we really are on the revenue side.

Alderman Gatsas stated your Honor I would like the Finance Officer to defer to the Deputy Finance Officer because he's been in the middle of this mix and I certainly will address the questions to him. I'd ask Mr. Sherman those questions.

Mayor Guinta stated ask him what questions.

Alderman Gatsas stated the questions that you said that the new Finance Officer might be a little too young to answer I think and I don't mean in age I mean just in the newness of the time that he's been here.

Mayor Guinta stated I don't mind if you ask Randy a question.

Alderman Gatsas stated Mr. Sherman would you come up, please. I know you were in the back row but I'm sure you've heard the discussions of this evening, last night...Fire, Highway and Schools...and I'm sure you've had an opportunity to take a look at what those projections might be. Is there any way you can give me a calculated idea of what those projections would be?

Mr. Sherman stated the last set of numbers and I have not seen what Highway has handed out to this million dollars but the last set of numbers that I looked at we were looking on the expense side of roughly a \$2.8 million surplus. But, before you jump on that some of that is health, worker's comp and I'd say CGL but that's Highway unlikely...to the tune of almost \$1.2 million. So, that would put \$1.6 million surplus on the expense side...those are all preliminary numbers and projects for the last quarter. Half of that would go to the Rainy Day Fund.

Alderman Gatsas stated let me just stop you for a second...that's not included in anything that Mr. Thomas gave us this evening.

Mr. Sherman stated no that's taking every department's budget projecting it out through the end of the year.

Alderman Gatsas asked what did you have for projections for Mr. Thomas'...do you have any idea what it was by department?

Mr. Sherman replied not with me but yes we do it by department and that can be provided...we can provide that to the Aldermen.

Alderman Gatsas stated okay so I apologize.

Mr. Sherman stated that leaves roughly about \$1.6 on the expense side. As Mr. Sanders stated we are not anticipating that we or we are reluctant to state that we are going to hit the revenue projections that we had when we went and set the tax rate...that right now could be anywhere up to a million dollar shortfall.

Alderman Gatsas stated let me ask you the most important question...the million-dollar shortfall in revenues certainly can come from the Rainy Day account.

Mr. Sherman stated it can't come from the Rainy Day account if we have a net surplus.

Alderman Gatsas stated so you're saying the net surplus is \$1.6...the net surplus would be six...the \$1.6 minus the one.

Mayor Guinta interjected with the worse case scenario on the revenue side...so if that's the case then at \$750,000 you can't get there because of the six...we've got to go in the surplus, I mean the Rainy Day fund.

Mayor Guinta stated which is why I'm asking the Board to continue to be cautious, wait on spending any dollars and let me continue to manage throughout the rest of the fiscal year.

Alderman Gatsas stated your Honor I understand that but what we're talking about here you can't manage...you can't manage any more salt savings there's no way you can manage it here.

Mr. Sherman asked can I address the salt...the issue with the salt and again Mr. Sanders is correct salt and a number of other items at the Highway Department are run through inventory...they're only charged to their budget as they use them but what happened is if you decided to change that policy it was instituted and Frank was right it was back in 97-

98...anything that is currently in inventory would get charged to this year's budget...if you're going to change the policy and not carry an inventory you now have to expense everything that's in the inventory. It doesn't get you there. Unless you can pre-apply the salt, pre-buying it doesn't do you any good. Now are there other items that we can look at certainly. I think when Police was here they were talking about ammunition and I'm sure Frank had some things in the Highway budget that we could possibly use...salaries, benefits, services, inventory items really don't solve the problem.

Alderman Gatsas asked what happens to the \$294,000 surplus he's got in salt?

Mr. Sherman replied that's part of...I assume that that's part of the million dollars. If he goes out and buys \$294,000 worth of salt it does not get charged to his budget, it goes into inventory and until he puts it in the back of the truck and drops it on the street it doesn't get charged to his budget.

Alderman Gatsas stated if he does that he's got \$294,000 he could reduce today if he wanted to...he could go out and buy \$294,000 worth of salt.

Mr. Sherman stated he could buy a million dollars worth of salt it wouldn't hit his budget...not prudent to do that because he's got it sitting in the yard not being used and the cash is out the door.

Alderman Gatsas stated that makes absolutely no...there is no business in America that would do that.

Mr. Sherman stated a lot of companies carry inventory and that's what...the Highway Department does it, Building Maintenance does it, there are very few departments that do do it but there are some.

Alderman Gatsas asked Ginny have you seen this proposal from Highway?

Ms. Lamberton replied not this evening.

Alderman Gatsas stated the positions that we aren't cutting...

Ms. Lamberton stated I don't have those sheets in front of me.

Alderman Gatsas stated let me just give you a clarification...the positions that we aren't cutting but we're bumping and they stay at their bumped salary rate for one year I want to know what those positions get cut in the following year from their bumped positions.

Ms. Lamberton stated I would have to defer to Frank I don't know what their collective bargaining agreement says as far as what step they would go down to.

Alderman Gatsas stated you have 9 positions here or 11 positions here.

Mr. Thomas stated no there's 9.

Alderman Gatsas stated those 9 positions aren't cut they're bumped...they have bumping privileges.

Mr. Thomas stated 8 of them.

Alderman Gatsas stated 8 have bumping privileges. What we say is for one year you get to keep the salary you have.

Mr. Thomas stated that is correct.

Alderman Gatsas asked have you totaled what that bumping privilege was not worth to the employee or his detriment...in other words there has to be a cut in rates.

Mr. Thomas stated I think you lost me here somewhere.

Alderman Gatsas stated you have a drop off supervisor that gets paid \$42,000...he's going to go to a lower position...the wage is going to stay at \$42,000 for one year.

Mr. Thomas stated first of all that's not his salary, that's the salary of a person at the bottom on the list of seniority. When I had to figure out the savings I don't realize the full savings of that position because of the bumping not the first year. What I do save is the people that get bumped off the ladder at the bottom.

Alderman Gatsas stated I'm concerned with the people that are here. Obviously, there's 9 bumps...what you're saying is the lowest bump is \$42,000...that guy could be making \$60,000.

Mr. Thomas stated that's correct.

Alderman Gatsas stated at the end of his first year he would go to the \$42,000...just assuming.

Mr. Thomas stated he would go to the salary of the position that he's in.

Alderman Gatsas stated if that's \$42,000...it's an \$18,000 cut to that person.

Mr. Thomas stated correct.

Alderman Gatsas stated I guess it's not a cut or a layoff it's just a bump and cuts your pay. I don't think that's the message we should be sending to employees in this City.

Alderman Long stated with respect to the answering service...that had been implemented before.

Mr. Thomas stated yes. I was trying to find how long we had it...it was at least two years, maybe three years and it ended in May of 2002. The way it was implemented the last time was that we had a full 24-hour, 7-day dispatching during the winter months but during the summer months and the construction season we just had it during the daytime and then we had the answering service at night.

Alderman Long asked what other emergency situations do we have other than a snow storm?

Mr. Thomas replied it could be a large pothole, it could be a cave in in the street, it could be sewage backing up into somebody's basement, it could be a brook that's causing some street flooding, it could be a number of things that the people would be called in for.

Alderman Long asked are you confident that an answering service could expeditiously as opposed to a dispatcher answer these emergency calls?

Mr. Thomas replied based on past experience I have some concerns that's why I prefaced this proposal in my write-ups and what not that it's all contingent on having a good answering service that can evaluate the call and dial the right number on the call in list. It doesn't do any good if you're the answering service and somebody's calling up with sewage backing into their basement and they call a guy on the list that puts horses out when there's a cave in at a catch basin and the last time around we were having some of those problems.

Alderman Long stated final question, your Honor. The answering service...what's the cost of that?

Mr. Thomas replied I think we budgeted \$6,500. Answering services are not expensive.

Mayor Guinta asked Alderman Duval do you have anything?

Alderman Duval replied I'll yield to my colleague.

Alderman Osborne stated trying to finish up here with the dispatcher...Frank, back in the early 80's wasn't that also tried back then where we had to try that night position and we went back to it also?

Mr. Thomas replied actually it was tried as I mentioned probably two years before May of 2002.

Alderman Osborne stated but before that.

Mr. Thomas stated 2000/2001.

Alderman Osborne stated I think we tried that 20 years ago also.

Mr. Thomas stated I don't know my brain doesn't work like it used to.

Alderman Osborne stated as you get older you can remember things way back but you can't remember what you did yesterday, I know what you're saying. Also, I guess you answered my question about the domino effect...bumping...the last domino falls I guess. I think, your Honor, basically it's a tough situation to come below a zero budget I don't know of a town or a city in the state that's done that so far.

Mayor Guinta interjected let's be the first.

Alderman Osborne stated okay but I'm just trying to be realistic here. I'm not saying to tax the people to death here but I think we do have to stick to our services like I mentioned to you at the beginning and there's a few things I'd like to see bumped up here before I make any of my commitments to a zero budget or below that's for sure. Thank you.

Mayor Guinta asked Alderman Pinard do you have any questions?

Alderman Pinard replied just a quickie...Frank, I dealt many years ago with answering services...in my little store we had an answering service and I never had any problem and you mentioned that you had problems...I would say that's the answering service company that you had. When I was at RCL Electronics looking over that building 24 hours-a-day many times at two, three and four o'clock in the morning I got called at the house and I got down to RCL and there were two police officers, three cruisers maybe waiting for me with the guy from Honeywell. So, if you're going to use an answering service make sure you get a good company because there's good companies out there and there's dogs. In our position in the City we want a good company that will be a follow-up immediately when they can't get a hold of the person. Thank you, your Honor.

Alderman O'Neil stated I want to start on the 9 positions identified. It was news to me that in order to keep the purchasing position that was moved over to Highway that this Board agreed to that we now had to guarantee generating extra money to pay her salary and benefits. I thought there were already enough funds to cover the two people that are handling purchasing. We're cutting less checks in Finance supposedly maybe we cut a position there to pay for this one, I don't know. Regarding the dispatchers...I was on the Board when we reinstituted them...the answering service was a complete failure, complete failure. I'm aware of situations because I've got people that have called to compliment the service from the Highway Department and they'll tell me they'll call dispatch when they have a sewer backup in their homes and in 20 minutes, half hour later there's a vacuum truck out on the street cleaning out the sewer system and in many cases it is a street side problem and they're able to correct the issue. We talked about having dispatchers on during snowstorms. I am aware and probably every Alderman and your office I'm sure, your Honor, that many times we have issues lagging snow storms can be two, three days, it can be a week...you have a melt during the day, freezes at night...a decision has to be made to call in salt trucks, it can happen on the weekends. I just think we've been there, done it, it was a failure, I don't think we should go down that avenue again. I think that position is a great service to the citizens of this City. Public service worker...I'm looking at Mr. Thomas' notes...it's involved with the utility crews, repairing catch basins...we know that's a major issue...adjusting catch basins and manhole rings, etc. it's just going to slow down the process. Equipment service technician in the garage...we have an aging fleet...this is not a new phenomenon...we haven't been keeping up to date with our fleet in the City. To cut somebody in the mechanical maintenance section doesn't make much sense to me. The maintenance mechanic which is part of the carpenter shop...the three people that are out there now I've seen them do everything from building retaining walls on some of these projects that we do in-house...they do many repairs not only from snow related issues but also sewer related issues and cutting a rod person...it's just going to slow down and we're either going to have to hire a survey firm to go out or it's going to slow down getting the information back to the engineers so they can design it. Regarding the traffic maintenance workers we continue to add more signs in the City, we continue to add more on-street...right Alderman Osborne...Alderman Osborne alone could keep a crew going five days-a-week. We put more small markings down, crosswalks, etc. I just don't know if this makes a whole lot of sense. Can you explain, your Honor, and if I understood Mr. Thomas correctly this was part of...I'm trying to think of the term...it's not a cost center but it's a true operating division as is the Facilities Division where we separate them out, they have their own budgets of Highway and that's how you made this recommendation.

Mayor Guinta stated I'm sorry I didn't understand what you said.

Alderman O'Neil stated when we created the division we called it instead of molding it in with all the divisions we kept it as a separate division like Facilities so it has its own budget.

Mayor Guinta stated correct. Let me just clarify that.

Alderman O'Neil stated I guess my question is how did you reach the conclusion that we can probably operate with two less people in that division?

Mayor Guinta replied it was a matter of Frank and I sitting down over the last couple of months and trying to figure out how to...when I talked to him about \$4.8 million that we have to allocate and talk to him about what essentially a level fund would do to Highway and yet in Traffic Division what an impact would do. We sat down and looked at several different options and again if the options that are being conveyed are not options that this Board can live with then I'm absolutely willing to entertain other alternatives. I think that particularly in Traffic I think that we can continue to try to look at and Frank talked about it earlier putting money in other parts of the budget to have contract manpower deal with those services so the services aren't impacted and still retain the employee but the employee's in a different position within the entire Highway budget.

Alderman O'Neil stated I do want to end on this issue of surplus and I appreciate all of my colleagues talking about weather...weather was on our side this current fiscal year there's no doubt about it. Frank, you can correct me if I'm wrong...the cost to plow a foot of snow is probably the same as an inch of snow as it is to go out and salt and sand generally speaking. I know you bring larger equipment out for the bigger snow but to put a driver with a front plow and a sander on the back whether he or she is salting, sanding, plowing an inch of snow or plowing a foot of snow it's the same costs.

Mr. Thomas stated basically so. Our 6-inch storm is the same as a 12-inch storm.

Alderman O'Neil stated so the bottom line is it really came down to the weather we had and it was favorable to us. I'd be curious is Mr. Thomas could provide...he mentioned '05 was a very high year for overtime and I think salt was significantly higher...it was almost \$900,000 that year. If he could just...how many different weather related events we had that required the crews to go out in a snow removal operation might not be the correct term but weather related operation. So, I think we've got to be very cautious about this issue of surplus and I heard the discussion regarding the Fire Department. I can think of one fire several years ago somewhere up in Janesville near Central High School where three or four firefighters go through a porch...they're out for significant periods of time, our Worker's Comp went way up, we had to cover all of them, there were several broken legs in that involved so fortunately at the Fire Department and I say fortunately we've had a good year at the Fire Department. We've had low injury numbers on the job, they've had a limited number of retirements, they had a ladder truck out-of-service three months which helped them on that...we need to be very cautious on what the routes are, how those surpluses came about that particular year. Thank you, your Honor.

Alderman Lopez asked how many years have you been with the City?

Mr. Thomas replied 35.

Alderman Lopez stated 35 years...what have you seen in the Highway Department in these 35 years as to the vision we're moving forward to here?

Mr. Thomas replied since I've taken over the department we were in some cases the laughing stock because we had TV crews following vehicles around, Mayor's taking videos of our trucks parked in places, our response time was probably not as good as we would have liked to have seen it. I think at least as far as the priorities that I've made is that I think we're in very responsive operations now, I think we're a department that quite frankly is called on when something needs to be done, we've been able to institute consolidations satisfactorily. I think that's quite a feat when you're considering all the gyrations that we've gone through over the years when that word is brought up but I think we try our best one hundred percent.

Alderman Lopez stated back 10 years ago you had an \$11 million budget...now a \$21 million budget...I don't have the breakdown of Traffic but between the three departments you're bringing in \$9 million. Losing these positions, bumping these positions or whatever the case may be somebody's going to lose.

Mr. Thomas stated the people in the positions are going to get hurt, the people that get bumped out of their positions get hurt and ultimately the complement gets hurts.

Alderman Lopez stated I know this Board has hassled with the compliance officer now for two years maybe longer but with all these positions let's say just get your budget, get on your way and you do whatever you have to do like you normally do...where do you see the Highway Department going, what services do you think are going to be disrupted?

Mr. Thomas replied I think if the trend continues...our operating budget doesn't go up to the increased obligations that we have...if you remember at one time items such as contracts and street lighting used to be subtracted out of our budget, out of the Highway Department's budget in consideration for being given if you remember back when David Wihby was around that was a standard practice. When we have contract obligations going up every year that's the difficulty that we don't have the power to control, when street lighting costs to up again there's a lot of things in our budget beyond our control. We can manage salary costs and I think we've proven that in the salary savings and the goals that we attained this year in salaries. But, I can't shut off the lights, I can't cut back on the contracts unless I'm directed to so I've got to make up for those areas somewhere else. It's going to hurt...2005...but I don't really classify that as a bad winter. I think if you checked the overall snow for that winter it would probably be fairly close to what the weathermen say is an average. So, as

salary costs go up you don't increase all your line items if anything you're getting cuts...you're not providing the same amount of resources.

Alderman Gatsas stated the question that Alderman Gatsas brought up in reference to six twenty-five...I think the Finance people and your staff or whatever the case may be ought to get together and find out what we can buy this year like we do with other things that's been mentioned and if it's not salt what is it and I don't think that should take a long time to get the responsible people together and sit down and make that determination so that we can have some information on this.

Mayor Guinta stated that's something Frank and I talked about on Thursday of last week to try to determine what if any savings could be achieved. And, again, there are things that we'd like to try to do to help alleviate some of the challenges that Frank is faced with with the reality of where we're trying to get with the overall budget so it's something we talked about Thursday...that discussion is going to continue I'll see if we can provide that relief. But, again, if we have continued...if we can continue the fiscal discipline through the end of this fiscal year that we have been able to maintain overall that will provide us more flexibility.

Alderman Lopez stated I know but we also have the responsibility of passing the budget here so we know what direction we're going in.

Mayor Guinta stated I know...again it's April 10th so we just started this process, it's not even a week old. We'll pass a budget, we'll do the best we can but again this is April 10th.

Alderman Shea stated Frank before you were I was. I worked at Highway five years dumping barrels, a great job...but the point of the matter is everybody in the City benefits from the Highway Department...tomorrow trash goes out and people who recycle put their things out...not everyone and they're fortunate has to call the Fire Department or the Police Department or the Health Department or any other City department. But, everyone within the City, within reason of course used Highway...the people who you mentioned as supervisors...Mr. Neveu great...Bob Roy great...you call them, they're there, they're helpful and so forth. We depend on the Highway Department to pave our roads, to plow our streets, to collect our trash, to collect all kinds of different things...and I can't reiterate...we pounded this and pounded this tonight together as Aldermen...this is a very important part of our City because everyone in the City uses Highway...they don't use other departments. I have gotten...I don't want to mention how many calls but I'm telling you every call almost is within the Highway Department/Traffic Department. So why would be pigeon hole you people...the Mayor wants to hold the taxes down so don't we but we have to find ways of making sure that the people who work for us, who are devoted, who give their time are not cast aside and told okay we'll try to live with the budget because I think it's very, very

important...I can't stress that enough and obviously other people have suggested things that we should look at and I think that that makes sense. Thank you, your Honor.

Alderman Gatsas stated Frank I'm going to ask you a tender question now. The snow melter...that infamous snow melter...is that bonded or did we pay for it?

Mr. Thomas replied I believe it was bonded through MER and it's all paid for right now.

Alderman Gatsas stated it's all paid for.

Mr. Thomas stated we paid the bill to buy it, it's being paid off through the bond...that's correct. We're still paying off the bond I'm sure.

Alderman Gatsas asked how many hours was that \$395,000 piece of equipment used?

Mr. Thomas replied not too many since we've had it...25 maybe something like that.

Alderman Gatsas stated the other day I happened to be going by the yard and you were moving snow by dump truck out of the middle of the yard...was there a reason why you weren't using the snow melter that we have?

Mr. Thomas replied first of all we need the snow melter because we don't have any other place in the City to bring any appreciable amount of snow. We've had two mild winters and quite frankly there wasn't...at least in our estimation...the need to do a major snow pickup in the downtown. Now Intown Manchester and a lot of other people will debate that but we typically didn't. In order to do an efficient snow removal operation with the melter we have to bring the melter down into the Millyard so it's centrally located and we haul the snow down to the snow melter and utilize the melting down there. We'd like to be able to do the entire downtown area including the Millyard area all at one time...it's the most cost-effective.

Alderman Gatsas asked is there any reason why we didn't use the snow melter to melt the snow that was in the Highway yard?

Mr. Thomas replied because it was easier for us just to pick that up and bring it up to the landfill...we have a little area up there where we can deposit it instead of pulling out the snow melter, heating it up, we have to fill up the tank with water, we have to heat it up, it's not efficient for a small operation.

Alderman Gatsas stated thank you Mayor for the indulgence...for the 25 hours that we've used it in the last four years would you say that maybe we should find another piece of equipment that could be utilized by the Highway Department at a greater efficiency and

maybe the Airport might be interested in buying that snow melter that we've used for 25 hours over the last four years...just a suggestion because obviously I don't think that the amount of time...I thought it was paid for so I would have had a suggestion of where some of that money could have gone if we sold it...to the Mayor's surplus fund.

Mr. Thomas stated first of all I don't think we'd find a piece of equipment...that size piece of equipment is the right size when we do a major pick up of snow. Now next year we could have the need to pick up snow five times, 10 times where we'll get the use out of it.

Alderman Gatsas stated Frank 25 hours in four years.

Mr. Thomas stated no it's only been about three winter seasons. The first winter season we used it.

Alderman Gatsas stated so my understanding is it's not too good going over some of the manholes and some of the...

Mr. Thomas stated it's no problem that I'm aware of.

Alderman Gatsas asked can you tell me the line item that's in your budget that allocates \$922,000 for Contributory Retirement...you look for \$1.2 million...you gave you that number?

Mr. Thomas replied the \$1.2 million is the number that we got from HR based on our full complement salary of \$8.331 million.

Alderman Gatsas stated so reducing the salary by roughly \$500,000 we were able to save \$288,000 in retirement funds.

Mr. Thomas stated you're going to have the Mayor and his staff because again...

Alderman Gatsas asked can somebody answer that question...how we can reduce wages by \$500,000 and save some \$288,000. I'm going off of his sheet. I look at the number and he was given \$1.2 million for a retirement number from HR, you changed it to \$922,000 which is a \$288,000 reduction and if you look at the first page you've reduced salaries by \$498,000 so I'm kind of looking.

Mayor Guinta asked I'm sorry are you going from department 100% to Mayor...

Alderman Gatsas stated no I'm going from the minimum '08, which is \$2.1 million to your \$922,000 on page 2 which is a \$288,000 reduction in City Contributory.

Mayor Guinta asked when was the minimum '08 number...was that back in March because the number has been adjusted 15% from that period down to 4.5% in the final budget.

Alderman Gatsas stated no that's not health...retirement.

Mr. Thomas stated those benefit numbers we attained last week before we met with the Mayor.

Alderman Gatsas stated I'm not talking about Health Insurance...I'm just talking about one line item.

Mayor Guinta stated the City Contributory Retirement of Dept. 100 is \$850,000.

Alderman Gatsas stated no I'm looking at the next one that's the minimum '08 is \$1.2 million.

Mayor Guinta stated that's the number that was supplied by the department.

Mr. Thomas stated by HR to us last week.

Mayor Guinta stated you're asking how it can go down to \$922,000.

Alderman Gatsas stated \$922,000 when there's only a \$500,000 reduction in wages from \$8.3 million to \$7.8 million.

Mayor Guinta stated it's the calculation...that's the calculation for the wage reduction.

Alderman Gatsas stated your Honor there's no way the wage reduction is a 50% calculation for Contributory because if it was I'd be looking at a Contributory Retirement line for the \$7.8 million of 3.9.

Mayor Guinta stated I can go back and check it.

Alderman Gatsas asked Ginny can you...do you want to weigh in.

Ms. Lamberton stated what we do.

Alderman Gatsas interjected the finger is being pointed at you so.

Ms. Lamberton stated what we do is or what we did last week was department's that requested it we did their projections based literally on the salaries of the current employees for next year and so that would include any steps that they might get or longevity and then

we did the percentage that the Retirement System tells us to do and I'm sure that's the number that Frank used.

Mayor Guinta stated which would be different than the number I'm using. So, if that's the case that needs to be conveyed to me that that's going on.

Mr. Sanders stated just one clarification I would add is in addition to the salary number being higher in the minimum calculation the overtime is also higher by about \$192,000 so the total increase is \$700,000 approximately in salaries and overtime...we would pay City Retirement on the overtime so that's a portion of the reason that it's lower. The other has to do with the payment scheme that we were proposing to change to it. I would agree with the Mayor that we could go back and look at that number and explain it.

Alderman Gatsas asked are you trying to tell me that because you only make one payment to Retirement we can save that kind of money?

Mr. Sanders stated there was a significant savings for making a one-time payment, making the deferred payments off the top of my head right now with the amount of that would be.

Alderman Gatsas stated I think the one time deferred payment was because we made it on an 18-month basis and not a 2-year basis if memory serves me right on that whole discussion but I could be like Frank kind of losing my memory.

Alderman Lopez asked could we get the correct numbers then.

Mayor Guinta asked how many departments requested updated numbers?

Ms. Lamberton replied I would say just about all of them. Donna would just tell me that she's busy doing revised numbers. The department asked for revised numbers based on the dental going down this December, the health insurance going down this December and the retirement going up.

Mayor Guinta asked but did you give it to them at a complement that I was putting in my budget or did you give it to them at a different complement?

Ms. Lamberton replied we gave them based on the complement they have today.

Mayor Guinta stated okay so there's a differential there we'll have to rectify.

Alderman Gatsas stated okay so when I asked for this sheet that was passed out by the Finance Officer tonight.

Mayor Guinta stated just so department heads know if those requests happen they need to come through my office and we need to be communicating to make sure that the numbers that are being conveyed by HR are near what's in the budget because that's...there are some numbers then that we'll have to reconcile.

Alderman Lopez asked can we have the Finance Officer verify those numbers. Absolutely, we'll have to. It's nine o'clock and we have many different departments to go.

Alderman Roy stated two things I think Mayor you just covered it that you wanted the numbers at this point of the budget stage that Ginny if those departmental requests could get funneled through the Mayor's office and out to all Aldermen that would be greatly appreciated...whatever is given out to departments so we all have access to those numbers would be great and to Frank...we talked about positions that we're talking about changing earlier...the solid waste compliance officer is that anywhere in any budget at this point?

Mr. Thomas replied the position of the solid waste compliance officer no...that is gone.

Mayor Guinta stated it was a proposed request and it was not funded.

Alderman Roy stated I guess my question would be either for you if you have someone on the NET Team or Matt Normand who's been spearheading the NET Team would that benefit the City and what would it do in the future by not funding it and I'll leave it to either or you to answer.

Mr. Thomas stated right now we do have a solid waste superintendent that is part of the NET team...Bob Neveu. We had earlier recognized the need of a solid waste compliance officer...I think it was part of the solid waste roundtable that we had many, many years ago and off and on we had proposed that position and we propose it again in this budget process...there's been some talk though if this position was to be created maybe should be created as part of the Building Department instead of the Highway Department so it would have a wider range of enforcement issues to deal with.

Alderman Roy stated okay but it is no where.

Mr. Thomas stated no it isn't.

Alderman Roy stated just as a commentary. As we're charged with lowering taxes the best way for us to lower taxes is to increase our tax base and that's doesn't impact employees and doesn't impact services but it gives us a better quality of life here in the City so I will again voice my opinion...we should fill that. Thank you.

Alderman DeVries stated I just wanted to close with a request of Frank to work with the Mayor and the Finance office as quickly as you can because in the meantime we need to identify what is useful within the surplus that you're returning this year and let the nine lives that have placed their lives on hold know as soon as possible what remedy that we have to offer them.

Mr. Thomas stated we'll do that immediately.

Alderman Osborne stated so Frank you'd be happy with \$560,000...would that make you happy, would that be enough?

Mr. Thomas stated I'll tell you the truth I like Alderman Gatsas' numbers better.

Alderman Gatsas stated than you Frank.

Alderman Osborne asked what's that?

Mr. Thomas replied Ted's number is higher...I liked his numbers...\$650,000's a happy number.

Mayor Guinta stated we're not done yet.

Mr. Thomas stated if you're finished with Highway and Traffic I'd like Tim just to spend two minutes talking about the Facilities budget.

Mr. Tim Clougherty, Chief Facilities Manager, stated the major impacts associated with the Mayor's allocation for the Facilities Division are primarily fewer dollars for corrective work and a reduction of four custodial positions. You should have two charts that were passed out by the City Clerk. It's important to note that this is the second year in a row these services are reduced. There are also a few line items which are necessary to be restored...for example, there was a reduction in the uniform allowance which is a union mandated requirement, also natural gas for City Hall...the allocation was cut by about 20% as well as service agreements...state mandated elevator inspection and maintenance agreements. We're confident that through reallocation within some other line items that we can absorb those cuts, however. We also fairly confident the budget can be tolerated but we need to keep in mind that the custodial services as well as the amount of maintenance that we're putting into our newly-invested schools is going down and it's gone down the past couple of years as it shown on those charts. The opinion of our budget is also predicated on the sale of the Ash Street School building as there was a \$50,000 reduction associated with that because of the costs that we incur annually with that. I'll keep it brief and open to any questions.

Alderman Lopez stated I can't tell the difference here but what's the revenue that you're going to get back from the School Department...has that changed because of the four custodians and what's the number that's built into the \$9.720 million on the Mayor's budget? Give me what you planned on before you cut the four custodians and the agreement that you had with the School Department.

Mr. Clougherty stated before the cut of the four custodians.

Alderman Lopez before and the agreement with the Schools you made with them.

Mr. Clougherty stated we didn't have any agreement with the School. We basically presented to the School the budgets that we were directed to prepare from the Mayor's office...a 97% budget, the 100% budget and the 102% budget. The only budget that accommodated all of the custodians that we currently have was the 102% budget. Do you want the revenue numbers associated with that?

Alderman Lopez stated you can provide those later if you don't have them now.

Mr. Clougherty stated I've got it right here...it's \$5,901,202.

Alderman Lopez stated that's at 102%.

Mr. Clougherty stated that's based on our 102% budget...this has nothing to do with either the current allocation for the Facilities Division proposed by the Mayor nor the allocation proposed for the School District.

Alderman Lopez asked do you know what it's going to do with the four custodians cut?

Mr. Clougherty stated with the four custodians cut working under the Mayor's proposed budget we're going to be at roughly \$5.606 million, which equates roughly to our 97% budget.

Alderman Lopez stated so the revenue is about \$300,000 short then.

Mr. Clougherty stated actually the Mayor's budget calls for revenues from the School chargebacks of \$5.782 million. So there's a differential there of around \$175,000 if my math is correct.

Alderman O'Neil stated Tim I just want to make sure I'm clear...you're saying with reallocating your line items...the budget we're working...there's a note d from Frank regarding Ash Street School I just want to make sure I'm clear on that.

Mr. Clougherty stated the budget will work...we're going to be down eight custodians over a two-year period of time and we're going to do our best with work with that. We're also going to be down 19%...excuse me 9% in our contract work...those four positions that I noted as well as 6% in construction materials...that's after we took reductions last year in all of those line items.

Alderman O'Neil asked how does Ash Street School...you're maintaining it now until it's sold.

Mr. Clougherty stated we maintain it and we also pay the utility bills associated with it.

Alderman O'Neil asked your Honor do we know any, do we have any idea of when that sale is going to be finalized?

Mayor Guinta replied it's still going through some due diligence issues but it's going to be...as I understand it in FY2007...I can't tell you what month and fiscal year.

Alderman O'Neil stated one follow-up to Tim...Tim you mentioned there were already four custodians cut...do you know off the top of your head where those positions were eliminated?

Mr. Clougherty replied not off the top of my head no. Actually, we'd have to...with the School District talking about West High School and other things we want to wait until they come up with a plan for the use of that facility and then come back with some recommendations to them.

Alderman O'Neil asked can you get where it was cut between '06 and '07?

Mr. Clougherty replied yes I can I don't have that with me.

Alderman O'Neil stated I understand your point about if it does go forward as presented you don't know where those four additional reductions will be at. Thank you.

Alderman Shea stated I have a question but it's not related to Facilities.

Mayor Guinta asked what department is it related to?

Alderman Shea replied Highway. I'm going to quote the Mayor in his policy item #3 he said "With the continued increase in rooms and meals money that the City receives we are expected to begin seeing a significant surplus in money available after we pay the debt service of the Verizon Wireless Arena bonds. I believe it is in the best interest of taxpayers to consider today how we invest in our City's future. I am, therefore, proposing that all

future excess funds be committed to an infrastructure improvement plan to fix our streets and our sidewalks. Such a fund would reduce the need to committee property tax funds to repair and reconstruct our streets. This saves taxpayers money while increasing the annual investment we make to maintain and improve our infrastructure. This is I believe a better way to provide services for our residents. I am forwarding this proposal to the CIP Committee for its consideration.” So, your Honor, can we expect then during this fiscal year that we can use excess rooms and meals money to concentrate on infrastructure for our taxpayers?

Mayor Guinta replied no because those funds are not available in this fiscal year. They will be available in future fiscal years which is why I want the CIP Committee to start looking at that policy recommendation this year so that we get it set for future years.

Alderman Shea stated so it’s for next year right.

Mayor Guinta stated no it’s depending on the schedule but we’re looking somewhere maybe 2010 but I think it’s important for us to start...that’s a significant policy change that I think this Board is going to take quite a bit of time to review. So, I want the review to start now so that by the time those dollars are available we already have a set policy as to what to do with it.

Alderman Shea stated so we’re going to consider it in the next CIP.

Mayor Guinta stated actually I signed the letter today to the CIP so if it has not gone to CIP today it will be going tomorrow.

Alderman Shea stated the sooner we can use these funds the better because I was never in favor of using rooms and meals essentially for that.

Alderman Gatsas asked how many dollars have come out of your line items for Ash Street School?

Mr. Clougherty replied I’d have to get back to you I don’t have that exact answer but based on our past spending it wasn’t \$50,000 as I said it was \$45,000 allocated for next year.

Alderman Gatsas stated when you say \$45,000 allocated to next year you’re talking about next year’s budget.

Mr. Clougherty stated that’s correct.

Alderman Gatsas stated I’m talking about this year and what it’s cost you this year because I believe that as a policy whatever the proceeds are from the sale of the Ash Street School you

should be refunded first because that comes back to a surplus balance and I guess my question is of the City Solicitor are we able to do that?

Mr. Clougherty replied we've done it in the past in some instances.

Alderman Gatsas stated that you've been reimbursed.

Mr. Clougherty stated with the tower at Hackett Hill and French Hall there was a miniscule amount that we were reimbursed there but I was a strong advocate for looking at the total revenue.

Alderman Gatsas stated so for the last two years...how long have you been maintaining it two years or one, one and a half.

Mr. Clougherty stated I think it's about a year and a half yeah.

Alderman Gatsas asked could you find out what the cost for the last year and a half is so that maybe we can reimburse you that and that can come to fund balance.

Mr. Clougherty stated I will do that.

Alderman Gatsas stated thank you. Frank, sooner or later I'm going to get you \$625,000.

Alderman Roy asked Tim what is last year and this year requested amount per square foot maintenance costs that you've proposed for the School District?

Mr. Clougherty replied I didn't put together a requested amount. I put either 97%, 100% and 102%.

Alderman Roy stated if you were to put a number on per square foot I know the national median is \$1.34/square foot what would you recommend we put aside?

Mr. Clougherty replied taking into account the fact that you don't want to sink the City all at once when we were putting in...we were putting the plan at \$105 million school renovations together we always thought that the goal and that was in 2002-2003...FY03...the goal was to get somewhere around \$1.00. FY06 we're at \$.71 cents...my 102% only got us to about \$.66 cents/square foot...that's because we have obvious increases in salary and benefits line items as well as the CPI so it outpaced the 2% that we would have been adding on. If I were to take a guess it would probably be \$.73 cents...something in that neck of the woods.

Alderman Roy asked if we don't pay for the preventative maintenance now who pays for it later?

Mr. Clougherty replied the City will.

Mayor Guinta asked are there any other questions. There were none.

Mayor Guinta recessed the meeting for a short period of time.

Mayor Guinta called the meeting back to order.

MCTV

Dr. Grace Sullivan, Executive Director of MCTV, stated the MCTV budget proposal...before I bring the MCTV budget proposal I wanted to introduce some of the MCTV Advisory people that are here today...Attorney Mary Tenn, Mike Roche from City Water Works, Jeremy Veilleux from Baker, Newman Noyes, CPA and C. J. Ficek from Nike Bauer...C. Hackett was here earlier but had to go home to take care of her daughter. Looking at the MCTV budget our proposed budget allocation...in the Mayor's budget the allocation was considerably less than we asked for in regard to what our MCTV Strategic Plan calls for...a need for a new facility. We are very happy that we have been funded \$390,000 because that will fund the current level of staff at five people and MCTV will continue as we have for 15 years to provide quality educational and governmental programming for the residents of the City of Manchester, however, the Mayor's proposed budget funds current staff but does not allow the Strategic Plan to be implemented to its fullest potential as it includes no funding for a dedicated facilities space. Looking at the Strategic Plan one of the two critical issues has to do with facilities and a stable source of funding. At the advice of my Advisory Board we want to be responsible and alert you to this facility issue that we have. The Strategic Plan has identified that we need to have an adequate facility. Currently, the facility that we're in we can only use for nine months out of the year...we can only use the programming equipment and studio only 50% of the time. The proposed budget fails to address reality that MCTV must vacate its present facility within the next year due to the new MST rebuild. We will not be able to stay in our current space for the space that we have been proposed allocated is about the same size and unfortunately that doesn't meet the Strategic Plan where we need an adequate space. Certain equipment needs to be replaced, some of the equipment is 15 years old and we need to make technology upgrades. We believe that the citizens of Manchester deserve to have a community television station that is properly funded. With proper funding MCTV can implement the goals of the Strategic Plan in a cost-effective manner and continue to provide high quality programming to our community.

Alderman O'Neil stated this question would be for you, your Honor. Is the MST project moving forward?

Mayor Guinta replied as far as I know yes.

Alderman O'Neil stated so bonding and all of that...does that have to come here to be bonded?

Mayor Guinta replied in order to complete the project there is a City portion that needs to be funded in order to receive the state 75%.

Alderman O'Neil asked is that in the CIP?

Mayor Guinta replied no. We would have to issue a bond resolution.

Alderman O'Neil asked do we expect that's going to happen definitely in the next fiscal year?

Mayor Guinta replied we could issue a bond resolution like we've done in the past and obviously fund it in '09.

Alderman O'Neil asked to the best of your knowledge today that project is moving forward and they will by the end of June of '08.

Dr. Sullivan interjected whether or not the MST plan moves forward or not we will be asked to vacate the current space that we're in which is approximately 2,100 square feet. We would be asked to locate to a building storage area in which we would not get rebilled, would not be funded by the MST build. We would have to use part of our cable grant money that's left...we got an estimate of anywhere from \$185,000-\$200,000. The MCTV Advisory Board has a facility design committee that has been looking at the best use of that money...whether or not the best use is to approximately half the money and sink it into same space that we have now...we can't fit...we have need for new equipment and we can't fit new equipment in 2,100 square feet.

Alderman O'Neil stated Dr. Sullivan I'm not...I agree with...my question was does that happen in June of '07 or June of '08.

Dr. Sullivan stated to the best of my knowledge I'm not sure but whether or not...the design facilities committee is looking to see whether MST is the best place.

Alderman O'Neil stated let me try this again. Your Honor, do you know? Are they going to have to vacate their current space by June '07 or June '08.

Mayor Guinta replied I think the best person to answer that question probably Karen White at MST.

Alderman O'Neil asked can we find that out?

Mayor Guinta stated or someone at the School Department.

Alderman O'Neil stated I agree they don't belong going in this storage area but at one point I thought this project was being fast-tracked and now I have my doubts that it's being fast-tracked.

Mayor Guinta stated it's still going through either the State portion of the funding is still going through the Legislature...let's assume that passes and then we have an obligation for a City match...we issue a bond resolution in sometime fiscal '08 funding in '09 that doesn't answer your question though of when does the construction begin and when does that impact MCTV and when is it completed. That answer I think could either come from the School District or Karen White.

Alderman O'Neil asked can we get that answer?

Mayor Guinta stated sure.

Alderman Lopez stated just a clarification, your Honor. From conversation maybe Alderman Long can help me out here a little bit because there seems to be a conflict at the state and Alderman Long if you want to talk to the budget and resolution.

Alderman Long stated the conflict is when the state will release its money. I haven't been able to determine yet when the state is bonding the MST project. The bill that that project is in is going to the House tomorrow and it'll pass the House but the issue is do we need to come up with our \$2.4 million prior to the state giving us the bonding. From what I'm understanding is that we're getting reimbursed once we start spending our \$2.4. Now, if our \$2.4 isn't bonded until our own '09 budget will that be taken off the table is what the question is and I don't know that answer maybe Alderman Gatsas may know.

Alderman O'Neil asked your Honor can I continue my question for Dr. Sullivan. Grace based on what I heard you say earlier...the \$390,000 covers the current level of staffing including any increases, adjustments to benefits or salary so the difference is the \$61,000 that's needed for either this new space and/or upgrade of equipment which I guess would be part of the new space.

Dr. Sullivan stated the upgrade of the equipment would come from the \$400,000 and that's why we need to be prudent with that \$400,000.

Alderman O'Neil asked what's the difference of the \$61,000?

Dr. Sullivan replied that's the rent, that was the estimates rent and electricity that we estimated and gave to the Mayor for the budget...the MCTV Advisory Board had not met yet before we gave, before we had to present the budget to the Mayor so we did an estimated rent for the facility. The MCTV Advisory Board and the Facilities Committee is looking at a long-term plan working to create a facility that best meets the needs of the community and we will report back to the School and the Board of Mayor and Aldermen with that plan. The staff estimated and then the Advisory Board who have been giving hours and hours of professional level volunteer work for MCTV...and there is no mystery to the fact that we are looking for a dedicated stable funding source that the other cable access facility in the City has. Because they have a stable, dedicated source they are able to maintain a facility and plan for the future.

Alderman Shea stated just a quick question, Grace...does Mrs. White make the decision concerning whether you can use the present space and when you have to get out or is that done by the School Superintendent or the School Board of what?

Dr. Sullivan replied I'm going to go back to the Facility Design Committee as looking to see how the Strategic Plan should best be carried out to have an adequate space. I have asked folks who made that decision. I have not been given an answer. I don't want to guess at that answer. I want to go back to what we are doing after 15 years is looking at the Strategic Plan as how best we can implement the need for a facility that can best meet the communication needs of the people in the City of Manchester.

Alderman Shea stated I'm talking short-term, not long-term. In other words in the short-term is the decision being made by the principal of the MST that you have to vacate this present location within a certain period of time...six months, a year, whatever or is that decision predicated upon a desire for your particular operation to begin to rent another space. I'm not sure.

Dr. Sullivan stated as part of the renovation project we met with the architects, I went to the meetings, I went in good faith...we said this is what we need, we said this is what we're going to need and looking at the 2005 Strategic Plan we...

Alderman Shea interjected may I interrupt you.

Dr. Sullivan stated we did not have adequate space.

Alderman Shea reiterated may I interrupt you...you met with what architect? The one that's planning the change at MST?

Dr. Sullivan replied we met with the architects from MST yes. After we saw the plan, the plan had us vacate our current space, which is a shared space, and move to another space within the building...approximately the same size.

Alderman Shea stated what Alderman O'Neil and I are trying to find out is is your movement predicated upon the fact that MST is going to be renovated or is it predicated upon the fact that the present principal at MST would like you to vacate the premises or is it predicated on the fact that you would like to move from there to an adequate space.

Dr. Sullivan stated thank you very much, I appreciate it Alderman Shea it's getting late...thank you so much. The MCTV Advisory Board looking at the Strategic Plan it's predicated that we need to leave, we need to be in a more centrally located space, we need to be able to serve more students and a more centrally located space and that we need have the facility in which where MCTV can carry out it's mission to serve the citizens of Manchester better. Thank you, Alderman.

Alderman Shea stated so what you're saying in essence is you can stay at MST until such time as adequate funding is raised or appropriate and there is an adequate space that is available to expand the services of MCTV,

Dr. Sullivan stated we can stay at MST and use the facility and our equipment 50% of the time for a little more than 9 months out of the year, we can stay there and use the equipment and the facility 50% of the time and that is a problem that we have now.

Alderman Pinard stated I've been talking to Mary Tenn and Dr. Sullivan and their committee has been traveling around the City to different locations...by that there are people that own properties and whatever they decide I'm sure these people would like to know when and what location they will select so I think that this is where Pat Long comes in with the state and my friend from Ward 7 Bill Shea I agree with him but we have to work with Dr. Sullivan and the rest because of the time element involved.

Alderman Duval stated the presentation that I heard...I took the opportunity to accept Dr. Sullivan's invitation to meet with her and Attorney Tenn and Attorney Tenn is to be congratulated for championing the cause because she's doing a great job at it. Mayor is there any way that the City can assist them by assembling some kind of a task force by providing manpower to work with them in a 60 or 90 day period to come up with a remedy...I don't know if that's been explored through your office in their meetings with you but obviously this is going to come to a head...time is going to run off the clock and basically they're going to be homeless and before we get to that point where we're faced with having to make a decision under duress against the clock it behooves us to put this on a timetable and have them report back to this full Board as to what the proposed remedies are finding a permanent solution.

Mayor Guinta stated I think with the establishment of this Advisory Board the intention was to have a larger force supporting the efforts that were established through the Strategic Plan. They do have a Building & Sites Committee that has not completed its report correct.

Dr. Sullivan stated correct.

Mayor Guinta stated but we'll be completing it sometime if fiscal year '07. At that time we would have a better understanding of what their true needs are and in the meantime I do think we need to get answers from...we need to get the answer of who owns this problem...it seems like there was an opportunity for you to have a potential location within MST and somebody made the decision that that no longer existed...the School District has not really provided any guidance as to what the direction of MCTV should be and it appears as though you're essentially working on your own so I certainly concur with your opinion that somebody City-related needs to try to address this issue. I think the appropriate action right now is to try to get whether it's from City staff or School administration staff the timeline first of all...how much time they have before they do have to move and then I guess a short and a long-term solution. There's going to be a dollar amount fixed to that which is not submitted within the appropriation that I'm recommending to the Board so you're right it is going to have to be something that we address. I don't know if there's existing space within City infrastructure that could serve as a short-term solution or a long-term solution or if it's going to require a whole new building but I think it would be easier for us to make a decision once at least Grace Buildings & Sites Committee makes a final recommendation and then this Board has to make the decision that the direction you want to go in.

Alderman Duval stated Attorney Tenn if you'd like to step forward I wouldn't mind...if you have any words of wisdom to share with the BMA I'd appreciate hearing from you because I know you're very articulate about the message that you've been conveying but is there something we're missing here in addition to what the Mayor has informed us of tonight.

Attorney Mary Tenn stated I think there are a couple of bits of information that I've been provided in the course of speaking with people from the City and the School District that may be helpful to this Board. First, with regard to the schedule of the MST renovations I have been informed by Principal White that the original anticipation that the MST renovations may begin in June of '07 is not a real expectation in her view at this time because the money hasn't been appropriated from the state nor have the funds been appropriated by the City. When I last spoke with her which was some two to three weeks ago she did indicate to me that it was her hope and I go beyond that to say realistic expectation that the construction would begin in June of '08. She was planning at that point to go back to the state for further information so that date wasn't set in stone but that's what they were striving for with regard to the MST renovations. Obviously, if construction is to begin in June of '08 MCTV would need to vacate space, we'd have to engage in some very

quick planning because in order to find a new space and build a studio takes some time. So, I think that that's an important date to bear in mind with regard to the scheduled renovations at MST. I think one very important point that Dr. Sullivan was trying to make and I'd like to emphasize for this Board tonight is regardless of the schedule of the MST renovations the Strategic Plan has clearly identified that the space is not the best space for MCTV at MST. So, we would be looking to move separate and apart from the renovation at MST although that may accelerate the process and quite frankly as I've told many of the members of this Board we don't want to be back here next year at budget time saying gee we should have thought about this before. We want to raise this issue now so there is time for cost-effective, prudent planning to serve the citizens of Manchester. I also don't think it is accurate to say that MCTV is working on this project on its own. The School Board had Dr. Sullivan some years ago engage in a very extensive strategic planning process...that process was prepared with input from elected officials, the School District, members of this Board as it was constituted at that time as well as the constituents who use MCTV and the students in the City. As a result of that a Strategic Plan emerged; that a Strategic Plan was approved by the School Board and as recently as this year the Advisory Board was established and the School Board then authorized the Advisory Board to begin with the facilities review portion of the plan so that we could be working on parallel tracks namely coming to you asking for a dedicated stable source of funding and at the same time working on the facilities question. One other point that I'd just like to make and I'd be happy to take any specific questions if they're there...the concept of who owns MCTV. I've heard in conversation with many of you and the Mayor alluded to it tonight I think it's important to recognize that MCTV unlike other City departments is really a collaborative effort between this Board and the School District and as a result of that we achieve many economies of scale for the City and so I think what has to happen is not a discussion of whose problem should MCTV be but how can MCTV, this Board and the School District work together to best serve the citizens of Manchester. It has worked very well for the past 15 years in that we are operated, MCTV is operated through the School District but funded by this Board and I think in the time that I've had to study it I think that relationship really reflects the collaborative effort of MCTV and can best serve the citizens of Manchester...those are the points that I wanted to make but I'd be happy to answer any other specific questions that you might have.

Alderman O'Neil stated just curious and I just throw this out to anyone at the table. Does anybody know what 2% of whatever the wording is regarding the cable contract. We have an agreement for 1% with MCAM what would 2% equate to.

Attorney Tenn replied it depends on which fiscal year you count, Alderman. But, the cable franchise fee is for 2006 were \$1.219 million and some odd cents. At 40% of the 2006 number that would translates...40% or 2% of the 5% franchise fee...that would translate into approximately \$487,000 which is less than the budget request that was originally submitted by Dr. Sullivan. The budget request was less than 2%.

Alderman Osborne stated my understanding through what you said now the main reason here is that there is no room where you are, you have no space to operate with new equipment or whatever it might be and also you can also only operate 50% of the time.

Attorney Tenn stated those are significant constraints on MCTV.

Alderman Osborne state those are the two big issues right so the sooner you can find something the better it's going to be.

Attorney Tenn stated absolutely.

Alderman Osborne stated so it doesn't pay to wait, right.

Attorney Tenn stated absolutely.

Alderman Osborne stated so what is it \$61,000.

Attorney Tenn stated correct.

Alderman Gatsas stated I would have thought Mary that after a while watching the proceedings of this evening you would have never taken that seat it just goes to show you.

Attorney Tenn stated fearless or crazy, Alderman.

Alderman Gatsas stated just goes to show you everybody wants to sit in that seat once-in-a-while. I guess the biggest problem I have is that I don't know who at the School District told you that you had to spend the money to renovate the space but I can tell you that it just so happens I sit on Capital Budget and that question will be asked and will be asked very seriously of MCTV why they're going to take somebody that has space today and want them to renovate space in a School District in that building...that doesn't make sense to me when the City's spending \$10 million on a building to accommodate everybody and we're going to just tell the taxpayer to pay one more time that just doesn't make sense and it doesn't make sense that if we're constructing a new site that if you need 3,000 feet to accommodate you that 900 more square feet at the time of that renovation shouldn't be something that shouldn't be impossible. So I can tell you that those questions will be asked, they will be asked very intensely and if somebody wants to come and tell me that we the taxpayers have to pay for the \$61,000 renovation I want to watch them tell me that. So, I will leave it at that and who ever is watching out in TV land I hope they heard it.

Alderman Shea stated that's really what I was asking before about who made the decision concerning MST...the architect met with Grace and the architect told you that you could not have the spacing that you needed but maybe she/he didn't know but it seems to me the

principal of that school is saying I know what I want to MST and I don't want you there so therefore show me the door...well, I guess he hit it correctly that maybe she should be shown the door...maybe I don't know but being new to the process here I think that you have established residence there, it's the convenient place to be or maybe it isn't a convenient place to be but at least it serviced the needs for 15 years and I think that he made a very interesting point but maybe you want a more centralized area too, I don't know.

Dr. Sullivan stated I think over the past few years the relationship between MST and MCTV has gone separate ways and that the MST video program has no relationship with MCTV anymore so I can understand why MCTV not being a vocational education program anymore would not be funded by the State Vocational Education...that is not my decision to make...that decision has been made by other people...my job is Director of MCTV therefore I have to look at the needs of MCTV. MCTV will never be considered on the same level as MST video production and it's not part.

Alderman Shea stated at one time there were several students and even today and there were discussions held before the School Board and they decided at that particular juncture that they did not want to have that program being recognized as I guess as a credit or degree...can that be resurrected now in lieu of the fact that we're talking about magnet schools, etc., etc.

Dr. Sullivan stated the discussion in terms of curriculum MCTV has an MCTV independent study extended learning program that students from throughout the school can go after school. MST Vocational Education component...we share space other than that we are not part of vocational education. Video production is a separate three, two hours a day class that take over...every other day they use the studio, every other day they run that schedule. So, that is a curriculum decision that has been made and it's been in practice for years.

Alderman Shea asked who made the decision?

Dr. Sullivan replied that decision was made probably four or five years ago.

Alderman Shea asked by who?

Dr. Sullivan replied that decision was made by the principal and the Superintendent of Schools. Separate and apart from that and I will say that the Vice-Chair of the School Board Leslee Stewart has been very supportive of MCTV and our mission and is supportive of our request for \$61,000...that is the past. I have to look at the Strategic Plan and see what we have to do to move forward to serve the needs of the City. I'm looking at the Strategic Plan...MST Video Production...MST...we're not part of the plan, we're not a vocational education program and you have to be a vocational education program to get the funds, we are not going to be a vocational education program, we don't work for MST...I am the

Director of MCTV, I do not work for the Manchester School of Technology, we are housed at the Manchester School of Technology in a shared space and that's it.

Alderman Gatsas are you telling me you're not associated with the School District.

Dr. Sullivan stated I am an employee of the School District, I am proud to be an employee of the School District and I'm proud to be funded by the Board of Mayor and Aldermen and I'm glad we got \$390,000 and it's worked.

Alderman Gatsas stated let's at least understand that if you're moving from this collaborative effort that we're trying to put together that at some point do you plan...is the School District...once you move out of that building is the School District still going to recognize you as a School employee?

Dr. Sullivan replied yes just like the people that work down at the Bishop O'Neil Center and the people that work at other programs in rented space say like the pre-school...this is dating me Alderman but like the old Tam O'Shanter building over near the Central Little League Park...they're School District employees.

Dr. Sullivan stated my department is School District employees.

Mayor Guinta stated let's bring up Parks...actually that's a good point...I think Health will be quick and then we'll do Parks next.

Health Department

Mr. Tim Soucy, Public Health Director, stated good evening everyone and I know it's been a long couple of days for you so I want to thank you for giving us the opportunity this evening to come before you. I was told I got the award for the longest response of any department head and I'm going to ask you for the time being to ignore that response. You should have been handed out a new one this evening. My original response was based on some of the new numbers we had talked about earlier that needed to be clarified with HR so we went back to the Mayor's budget and drafted a response based on that. The Health Department budget is essentially a salary and benefit budget. We have about \$190,000 out of \$3.5 million in operating costs and everything else is salary and benefits. So you'll see that the budget cuts...in salaries. Once again I know you've heard from other City departments and I want to reiterate that this number does not reflect cola's or severance, we will expect at least one retirement in July the beginning of the next fiscal year which will probably have an impact of about \$25,000...we just learned of that one today. So certainly having a line item that has that level of deficiency is a concern to us. Since then we did have a chance to meet with the Mayor, have a better understanding of his policy decision of the 4% in salaries and how that would be allocated and I'll come back to that in a moment. Really we're asking for

two very small items and not to bother you with small things but one is in advertising. One of the reasons we tend to have such a balance in salaries at the end of the year is we have relatively high turnover particularly in our nursing staff which facilitates us to go out and advertise more frequently than other departments probably do. So if we can get that line item back up to \$2,000 that would certainly be helpful and the second is in books...the Mayor's proposed budget lowers that number from \$4,000 to \$3,000...we have some contractual obligations with the collective bargaining agreement where we need to provide books to all of our school health nurses and certainly in the fields of public health...this is how we stay current is by getting a hold of the latest literature on disease control and other issues so two small items that we're looking to fill. The other two points I want to make very briefly is one out of that \$190,000 in operating expenses, \$100,000 of that is gas and electricity for the Rines Center...the Health Department foots the entire bill for the Rines Center so OYS, Welfare, Archives and the Art Gallery do not pay anything pertaining to the electricity, the gas or the custodial services...that's all absorbed in the Health Department's budget. The second point I want to make is that the Health Department has always been very aggressive in seeking outside funding. We currently have about 11.25 FTE's that are funded by outside grants. We bring in about three-quarters of a million dollars in outside grants to help save the taxpayers money to help fund positions at the Health Department so we do do our due diligence in bringing in extra money so that we can help do our part with the City's tax rate. Going back to the shortfall once again we're looking at \$178,000 in salaries. We believe that we'll be able to make up some of that very, very quickly with not filling a position with the School and Youth Health Director still leaving us about \$100,000 short...did meet with the Mayor understand that the salary adjustment line item is there for that purpose, we do expect additional vacancies through next year...that's not uncommon to our department and we will manage those vacancies to make the greatest impact on that \$100,000 deficit, however, because of the fact that we do foot all of the building expenses and that we are very aggressive in seeking outside money I would certainly have an expectation that we would be granted some leeway in that salary adjustment line item that if we do come in with a deficit in that line item next year it would be taken care of by the Mayor and his salary adjustment line item. So, that in a nutshell is where we're at.

Alderman O'Neil asked your Honor you're comfortable with your discussion with Director Soucy that there will be enough money or there is a commitment from you that the two full-time dental hygienists should remain in the half-time community health nurse should remain.

Mayor Guinta replied yes and I conveyed that to the Director earlier this week.

Mr. Soucy stated we are actively recruiting for those as well.

Alderman Roy stated Tim you just said it but what position just offered their retirement.

Mr. Soucy stated it will be the part-time community health nurse that would have been listed as one of our potential cuts...it's a half-time position.

Alderman Roy stated you already have a half-time position currently vacant.

Mr. Soucy stated no we do not. We were anticipating this retirement coming, the announcement was made today so as we looked at FY08 in meetings to make an impact on reducing that salary line item we would keep that position vacant.

Alderman Roy stated our report as of March 1st has a half-time community health nurse open.

Mr. Soucy stated that's an additional.

Alderman Gatsas asked how much money do we get in federal funds?

Mr. Soucy replied we bring in approximately \$775,000 in outside funding. Out of that about \$600,000 is public health preparedness money that comes through DHHS. Currently about \$49,000 of that is Department of Justice funding that helps offset the Weed & Seed Coordinator and then the rest are state funding through the NH Department of Health and Human Services. So federal funding is essentially the \$602,000 for public health preparedness that goes once again...I guess that goes through the state as well. The other piece of federal funding that we don't necessarily see is we serve at the executive director of the health care for the homeless program so this is federal money that comes through the Health Department that we then contract out so it's about \$327,000.

Alderman Gatsas asked of those \$700,000 is there any money and that's 11 employees?

Mr. Soucy stated correct 11.25.

Alderman Gatsas asked is there any allocation that you could make for the space for heat and electricity for those 11 employees and supplant it with federal funds?

Mr. Soucy stated we do calculate an indirect cost on all of our state grants to help offset those costs.

Alderman Gatsas asked how much is used administratively?

Mr. Soucy replied about \$35,000...it comes back into revenues.

Alderman Gatsas asked of the \$700,000?

Mr. Soucy stated no...it's 5% but not of the public health preparedness because that's essentially a wash if I'm correct.

Alderman Gatsas asked is that the number they allow you by the federal grant?

Mr. Soucy replied indirect.

Alderman Gatsas asked what about direct...director would be heat and electricity?

Mr. Soucy replied we don't charge for that.

Alderman Gatsas stated but you could.

Mr. Soucy stated we would have to check with Mark Andrew up at the state to see if that would be allowed.

Alderman Gatsas stated now this is the second time that I've heard about a spending deficiency in a budget. Do you know that it's against City Charter for a department to deficit spend?

Mr. Soucy asked could you rephrase the question I'm not sure I follow?

Alderman Gatsas stated this is the second time I've heard about a deficiency in a budget that will allow you to deficit spend. Do you know by ordinance and by City Charter you can't deficit spend.

Mr. Soucy stated it's not our intent to deficit spend it's our intent to make the greatest impact on that salary line item deficit and at the end of the year the Mayor has assured us based on our conversations that whatever number is remaining he will use the salary adjustment line item to make sure that we're solvent.

Alderman Gatsas stated I just get a little nervous when I hear somebody talking about deficit spending.

Alderman O'Neil stated this isn't directly for the Health Director but for Ms. Lamberton...Ginny can we get...I know you've tried to do your best on the vacancy list but can we just make sure that the department's are all on the same page. We've heard a number of departments where there's been some discrepancies based on the list produced by HR and what they had.

Ms. Lamberton stated yes we have to do that.

Alderman O'Neil stated can you just give it one more shot to make sure that...I believe yours is right but somehow we've had a number of departments yesterday and today that they've been off a few positions here or there some of them and it would be good to know the vacancy list we're looking at is correct.

Ms. Lamberton stated we base it on the actual...like in certain...I forget which department it was but the Library will take one authorized 40-hour position and hire two people in it so they're going to tell you they have two people but I'm going to tell you they have one position.

Mayor Guinta interjected the answer's yes.

Alderman O'Neil asked can we put it in Board of Mayor and Alderman lingo please because I've just been a little confused on that with some of the departments. Thank you.

Mayor Guinta asked are there any other questions...there were none.

Alderman Gatsas asked how many more departments, your Honor, because by the time we finish.

Mayor Guinta stated we have Parks up now...we still have Info, Planning, MEDO and Parking and I think that's it.

Alderman Lopez stated Planning's okay, MEDO's okay.

Mayor Guinta stated we still want to hear from them though I assume...they've been here all night.

Alderman Lopez stated okay let's get Parks out here.

Parks, Recreation & Cemetery

Mr. Rick Riddle, Business Service Officer, stated we've provided some information for the Alderman last week based on the Mayor's original proposed budget and kind of broke it down into impacts...we have both the Recreation Enterprise fund and our General fund. In our Recreation Enterprise fund that was hardest hit by the budget cuts. We would eliminate three part-time seasonal employees at Derryfield Country Club, we would eliminate one full-time recreational maintenance worker...actually that position is called a recreation maintenance worker, grade 13, five recreation facilities workers, grade 15 positions and one ski and aquatic maintenance worker, grade 15 for a total of 7 full-time employees in the recreation division and three part-time employees as well. The impact on that would be we would reduce operating hours and possibly facility closures at the recreation facilities or

alternatively we could close McIntyre Ski area entirely, reduce operating hours at the ice arenas and eliminate the three part-time seasonal employees and that would be in lieu of eliminating the seven full-time employees. Looking at the enterprise operating funds, the non-salary line items originally we were under funded on our debt service...those are related to the new bonds that we have for JFK Coliseum and the Derryfield Country Club.

Originally we were under funded by \$203,295 for debt payments due next year. We also have a marketing contract, we have a marketing firm the lady is actually in the back audience with us...they sell some dasher boards and ice logos for us at the ice arenas...they're going to do some dasher board sales for us at Gill Stadium, they also hope to be doing some work at the 4th of July selling some 3-D glasses and such, they've done the golf tournament for us and they also hope to do some activities at McIntyre Ski area. We project the total cost of that marketing contract about \$76,000. Finally, in our operating line item we're short probably about \$25,000 for liability insurance at McIntyre Ski area...that policy is something we actually have to go outside to buy and can cost anywhere from \$25,000 to \$50,000 per year...we go out to bid and there's one possibly two vendors who are willing to sell that insurance to us at all. Because our employee's are shared between the enterprise fund and the general fund we looked at administrative salaries overall...those include administrative in the general and administrative in the enterprise fund. Again, we looked at two different alternatives here...we could eliminate three management positions...they would be the recreation enterprise manager, the parks operations manager and the business services officer or alternatively we could eliminate the recreation enterprise manager and then four people within the office at the Parks office itself. Looking at it in terms of just general fund operating...in terms of salary...the salary line item was under funded by about \$111,000 to fill just the current vacant positions...we do have seven vacant positions right now over and above filling those seven vacant positions we're \$111,000 short. We would have to eliminate one recreation maintenance worker, grade 13. We also are under funded...we have no money in Gill Stadium for overtime...that's about \$20,000 to cover weekend games and such for legions and we also don't have \$50,000...we need \$40,000 to \$50,000 for plowing school grounds...we do that on weekends and evenings when the snow storms happen and we also have significant alarm calls on weekends and filter maintenance at the pools...that costs \$2,000 to \$5,000 as well. The general fund operating line items we were severely cut in those...vehicle repairs...the Mayor's recommended budget was \$34,000 as of this date right now we've spent \$45,000 this year, we anticipate a minimum needed to cover a full year would be about \$51,000...equipment line item we buy large mowers and such out of that...we have no money funded at all in the Mayor's suggested budget. We normally would ask for about \$50,000 there...special projects are 0898 account...we use that for a multitude of different things. Again, that was not funded at all...we typically spend about \$50,000 there. Contract manpower...pretty much covers police details at the city swimming pools...we normally spend about \$25,000 to \$31,000 there...that was not funded at all. Typically we use the police details at Crystal Lake and Hunt Pool and final contract services where we do grub control in the spring for poison ivy and weed control we also use that to open and close Raco-Theodore and Livingston Pools...they need special

services...people come in and open and close those for us. We were funded about \$45,000...we anticipate needing about \$68,000. To wrap it up we have seven vacant positions right now in the general fund. Those positions would remain vacant under the proposed budget. We would have to layoff an additional 11 to 13 full-time people...three long-term seasonal employees that we have at the cemetery would be terminated, we would have no summer help at the Derryfield Country Club, we have no money to plow school facilities, overtime monies, no money for police details at the City's aquatic facilities and insufficient monies to pay the required debt payments and the marketing contract as well is insufficiently funded.

Alderman Lopez stated a very good presentation. We had some discussions earlier so I don't think there's going to be too many questions because the Mayor will be meeting with you and then you'll respond after you have a meeting with the Mayor so other than put you on the spot to answer a whole bunch of questions here he has asked that he meet with you tomorrow or the next day and then you can respond back and see if these things still exist after he meets with you.

Alderman Shea stated I want to reiterate you did a great job, a really good job and the other fellows there that helped you do a good job and we appreciate your coming before us this evening and certainly I'm sure that you and the Mayor and other members of your department will try to do something because otherwise there isn't much left up there...might as well close shop I guess, I don't know. Thank you.

Alderman Smith asked when is this meeting going to take place, who's invited and what's going to be discussed?

Mayor Guinta replied I'll have Sean talk to this...either Wednesday or Thursday...is it scheduled already...Thursday at two thirty.

Alderman Smith asked how will we find out what the synopsis is before the public hearing on the 16th.

Mayor Guinta replied we'll get something to the Aldermen either from Parks and/or myself through the courier or other means hopefully prior to the weekend.

Alderman Smith stated the only reason why...this is a very drastic presentation and I just remember last year with the Finance Department arguing so much for marketing and now it's being thrown out so I'd like to ask some questions myself and I've got many of them.

Alderman Gatsas stated not tonight though.

Alderman Roy stated we're up against time and I know that Parks is going through some changes is it possible that we request former Parks Commissioner and the Chair of our Board of Aldermen to sit in on that meeting if his time permits. I just feel that reporting back to us and getting information...I know Parks is going to go back and absorb this and your staff is working with them but we're kind of in crunch time of communication so if it fits the Alderman's schedule...he knows Parks about as good as anyone so I wouldn't mind asking him to sit in with your permission.

Mayor Guinta stated I have no objection.

Alderman O'Neil stated I'm not looking for an answer tonight if one of you can e-mail me tomorrow...can you just confirm that Fun-In-The-Sun was fully funded. I know there's a couple of different funding sources...cash and CDBG...I believe it is in the Mayor's recommended CIP budget but can you confirm that for me.

Mr. Chuck DePrima, Deputy Director, stated Brenda Dwyer did e-mail me earlier today asking those same exact questions and I'm going to look into it.

Alderman O'Neil stated just to confirm...I think it is but just confirm for me. Thank you.

Alderman Lopez stated I appreciate Alderman Roy and I don't mind sitting in on the meeting but I think it would be appropriate...we do have a commission over there at Parks and we can give by the power of this Board the authority to the commission to look into this situation to sit in on those meetings. I think it's very important because they have their commission meetings every month and they get the information...I'd be happy to sit in but I surely would like to have the Parks Commission involved in this because the other department head who has decided to retire and we have three individuals who need some help and some direction for that department so I think that it would be beneficial if we just have a sit down work study with whoever you want so that we all understand what the magnitude of the problem is.

Mayor Guinta stated again I am going to be sitting down with them Thursday and I have no objection to Alderman Lopez sitting in on the meeting. I would like to be able to have that opportunity to meet...I don't personally see a need for commissioners to sit in on it, it's a rare occasion where that would ever happen. We have an obligation to go through this process. I don't see any reason why we couldn't sit down with a department if Alderman Lopez would like to sit in I have no objection to it but I don't see why we need to have commissioners.

Alderman Lopez stated just let me know the time and place.

Mayor Guinta stated it's Thursday at two-thirty in my office. Any other questions, there were none. Thank you very much.

Alderman Gatsas stated I understand the memo's coming.

Mayor Guinta stated you want to have the opportunity to ask questions.

Alderman Lopez stated I would recommend that since we have the public hearing that maybe Tuesday evening.

Mayor Guinta stated I have no objection to that.

Alderman Gatsas stated just before the public hearing and ask questions.

Mayor Guinta stated I have no objection to that either.

Alderman Lopez stated that's fine...before the public hearing...what time Leo, half hour before the public hearing.

Mayor Guinta stated we could do this before the public hearing, which would require to recess this meeting. So, if we wanted to do it Monday we don't have to recess this evening okay. I have no objection to calling a meeting on Monday prior to the public hearing at six...we could schedule something at four/five o'clock on Monday if the Board would like that.

Alderman Roy stated as you're leaving gentlemen thank you for all the work for the Stark Park Easter Egg Hunt...it was a great endeavor and very much appreciated for all City residents.

Planning/MEDO/Parking

Mayor Guinta stated let's do Planning/MEDO and Parking.

Alderman O'Neil asked how can they all be one?

Mayor Guinta stated I think it's appropriate for Mr. MacKenzie to sit in on the Economic Development.

Alderman O'Neil stated Bob did an outstanding job, your Honor, for the record as the Interim Director.

Mr. Robert MacKenzie, Director of Planning and Community Development, stated I will be short. Looking at the Planning Department budget first...the proposed budget basically would fund 10 or our 11 positions...we do have a vacancy so it does not imply a layoff,

however, we did lose too retirement Carolyn Michaud who was our secretary...she handled duties for the Planning Board and basically handles phone calls and walk-ins...so that is about a \$37,000 item. We have had to make some adjustments since she has left...the position is not filled yet so that is about \$37,000 off from what we would call our regular complement and I think I'm just going to pause there and see if there are any questions on the Planning Department budget.

Mayor Guinta asked any questions, there were none.

Mr. MacKenzie stated then I am going to see if Jay has any quick comments. Again, he's only been on board since yesterday so I know that he has been diligently studying his budget.

Mr. Jay Minkarah, Economic Development Director, stated just for those who don't know me I'm Jay Minkarah and as of yesterday Director of the Office of Economic Development. The budget really for the department is a small one. There are 3.5 people...we are fully-staffed at this point. The overall budget is \$353,300...about a 7% decrease from last year. I haven't had a lot of experience with the budget but I have had the opportunity to sit down with Mr. MacKenzie and review it as well as meeting with the other staff and we believe that we can adequately accomplish our mission within these guidelines. I'd be happy to answer any questions.

Alderman Gatsas asked are federal funds paying for any of the positions?

Mr. Minkarah replied in Economic Development no.

Alderman Gatsas asked is there a reason why?

Mayor Guinta replied we haven't received any.

Alderman Gatsas stated I think there were wages...correct me if I'm wrong, Mr. MacKenzie...wasn't there an employee that used to work there that had 60% of his wage paid by federal funds.

Mr. MacKenzie stated yes there was a position...the Destination Manchester Coordinator that was partly funded by HUD and partly funded by City cash at one time. Typically those programs when you're funding a regular city position they normally run for three years. I think that position was paid four years through the federal funds but ultimately the CIP program and HUD encouraged that those programs if they are successful are then put into basically the department's budget and that would be the case this year.

Alderman Gatsas stated but there's nothing to say that we couldn't go in and take some of those federal funds and allocate them to a position.

Mr. MacKenzie stated that is correct although I do caution that since they're HUD funds it may be increasingly difficult to justify that beyond three or four years but for next year I would say that's possible yes.

Alderman Gatsas asked when was the last time we used HUD funds to finance a position...three years ago?

Mr. MacKenzie replied again it ran for about four years when the Destination Manchester position was technically the name of that position...the name has since changed but that would have been five years ago then.

Alderman Gatsas asked your Honor is there any way you can look at it because that's certainly a way you can get some money into your surplus account.

Mayor Guinta replied sure absolutely.

Alderman Roy stated Jay I don't expect you to answer this tonight but in the FY07 revenues miscellaneous was \$193,094 and in the Mayor's budget it's \$50,000...if you could just get to us what that difference was and what we can do to possibly bring it back to the original number.

Mayor Guinta asked what was it for?

Alderman Roy replied miscellaneous revenue.

Mr. Minkarah asked are you speaking about the reduction in the proposed budget from last year's budget?

Alderman Roy replied reduction in revenue...it just says in the computer miscellaneous reimbursement from \$143,000.

Mr. Minkarah stated I can certainly building upon that answer later but as I understand it there was an intent in the current fiscal year to aggressively seek outside funding for the department primarily from private sources and as I understand it didn't realize those expectations in this year and so those revenue projections I think in the interest of being conservative perhaps being realistic were reduced in the upcoming budget.

Mayor Guinta stated that's accurate. Are there any other questions, there were none. Next, Parking Enterprise.

Ms. Brandy Stanley, Parking Manager, stated I'm afraid I'm not going to be quite so brief. There has been some confusion with the development of the Parking budget due in part to the organization is developing and revenues and expenses have changed substantially since we first put them in on January 17th. The net result is that our revenue from the January 17th budget was understated by about \$440,000 and that revenue is reflected in the Mayor's budget which is \$5.2 million...we're actually in reality expecting about \$5.7 million and the reason for the change was the authorization of the additional PCO's...there were also some other changes related to the Pay & Display revenues that we needed to add in after we had already put the information into HTE. On the expense side I'm afraid I'm going to have to plead ignorance on the payroll which appears to be short by about \$120,000. I have been unable to get reports so I don't know exactly where the deficit came from, I don't know if it is part of the salary adjustment line item. Mr. Mayor I don't know if you had put it in there but as a Parking Enterprise I'm not really sure that we would be eligible to participate in that so I guess I'll have to find that information out once I get the reports.

Mayor Guinta asked what reports are you referring to?

Ms. Stanley replied the reports from HR the backup for what's actually in the HTE system. I'm not a department head so I don't get those reports directly I have to request them and sometimes there's a delay in getting them.

Mayor Guinta stated we'll add you to the list of having meetings either Wednesday or Thursday and probably ask you to come back then on Monday...we'll get that addressed.

Alderman O'Neil stated your Honor there should be no reason that the Parking Enterprise system should be looking at the salary adjustment...she should be fully funded I believe.

Mayor Guinta stated I agree.

Ms. Stanley stated so once we get the detail on that we can address that. There's a few other expenses that were either reduced or increased. Some of them we don't have any problem with like the reduction in overtime which was originally budgeted based on what was actually happening. Now that the PCO's are part of the Parking Division we know that we can manage the overtime better so we don't have any problem with the \$12,000 reduction. The health insurance and FICA again we don't know exactly what that entails. The snow removal reduction it just depends on how much snow we get next year whether or not we'll be able to live within those boundaries. We also attempted to set up an insurance claims reserve of \$5,000 because we are an enterprise we no longer are participating in the City's insurance policy and we purchase our own insurance policies which is why I tried to set up a reserve in our original budget so I would like to see that added back in, it's only \$5,000 for this year. The travel expenses were budgeted too high initially based on the travel we're

anticipating. The electricity was originally budgeted at \$15,000 higher than what we have in here based on the anticipated retrofit of the lighting in the Victory Garage which has since been tabled for maybe future discussion and credit cards fees were originally budgeted too low because we didn't...our percentage of revenue as a credit card is actually coming up so we needed to put some extra money in there although Alderman Gatsas you'll be pleased to know that our fees are down from 36% to 22% and we anticipate to be able to bring it down even farther.

Alderman Gatsas stated I'll get to that.

Ms. Stanley stated our other project costs are infrastructure improvement costs...we originally proposed \$1.3 million and that was cut to \$630,000. In principle I don't have an issue with them because the projects that I would choose to have done next year were left in there so I don't have any issues with that. The \$1.8 million objective to the general fund is achievable based on the new revenue numbers so other than that I don't have anything else.

Alderman Gatsas in reference to Bridge and Elm...have you done an analysis there...is there any revenue coming from that parking garage?

Ms. Stanley stated there is not. The deal is structured so that I don't anticipate ever getting any lease payments on that building.

Alderman Gatsas stated I believe the deal includes a revenue if there is parking that is leased to outside sources. Is that correct, Randy? So any outside sources...what percentage do we participate in? Is there any way somebody can get us a report or have them give you a report of what they've got for rentals outside.

Ms. Stanley stated I've requested that from them and I have yet to receive it...they owed us a financial statement in February and I've had several meetings with them and they're in the middle of preparing them but knowing the profit structure of a garage like that the deal is honestly structured so I don't believe we're ever going to get any rental payment from that building.

Alderman Gatsas stated I don't believe that's the way it's structured...you've looked at the documents?

Ms. Stanley replied yes.

Mayor Guinta stated that's going to be an even longer discussion.

Alderman Gatsas stated we also pay I believe it's \$104 a month per space at another garage.

Mayor Guinta stated which is ending shortly.

Ms. Stanley asked are you referring to the Wall Street Tower lease?

Alderman Gatsas stated that's what I'm referring to.

Ms. Stanley stated that terminates in February of 2008.

Alderman Gatsas asked how much is that lease?

Ms. Stanley replied the lease is \$30,00/month.

Alderman Gatsas stated plus.

Ms. Stanley stated I believe that there is a contingency in there for maintenance costs which has never been exercised on the part of the owner.

Alderman Gatsas asked what are we paying for rental of the spaces there?

Ms. Stanley replied \$30,000/month.

Alderman Gatsas stated that's all we're paying.

Ms. Stanley stated yes.

Alderman Gatsas stated we're not paying maintenance.

Ms. Stanley stated it doesn't mean that we're not obligated to but we have not received a request to pay that.

Alderman Gatsas asked how many spaces do we have?

Ms. Stanley replied 400.

Alderman Gatsas stated the last time I looked at that number...the last time we had this conversation I thought it was \$104 times 400 times 12...I thought it was much more than \$360. I know you're new on the job and I don't...do you want to repeat what he said to you or not?

Mr. Sherman stated you pay \$75/month/space and then I believe you pay a portion of the property taxes...that in essence covers their maintenance.

Alderman Gatsas stated which is about \$104/month/space.

Mr. Sherman stated I want to say it gets you closer to \$450 for the year on what we pay but then again all of that goes away after February and the budget has been adjusted accordingly.

Alderman Gatsas asked where are we at with the...we've paid full freight and how much is the City owed on that property...\$33 million?

Mr. MacKenzie stated there's still a significant balance...we did get payments annually from them but there's a significant balance on the whole property yes.

Alderman Gatsas in reference to Victory Garage...my understanding is there's been conversation but there's going to be renovations for you folks to move in there.

Ms. Stanley stated no. The only renovation that was authorized was a bill out of the meter shop...the offices will not be renovated until after we move in and get the operation up and running at which point we would come back to the Board of Mayor and Aldermen for additional funds to renovate that office.

Alderman Gatsas asked what is the cost for renovations?

Ms. Stanley replied at this point we anticipate it will be about \$160,000.

Alderman Gatsas stated so that's no where in anybody's budget.

Ms. Stanley stated no.

Alderman Gatsas stated so all said and done with this enterprise fund and the increase in revenues and the decrease in the 22%...I'm not sure is that 22% of a \$.50 cent item.

Ms. Stanley stated 22% of an average transaction of \$.84 cents.

Alderman Gatsas stated the average transaction is \$.84 cents.

Ms. Stanley stated with a credit card yes.

Alderman Gatsas stated and the cost is 22%.

Ms. Stanley stated yes.

Alderman Gatsas stated that seems a lot higher on a percentage basis because the transaction fee is down. When you're talking transaction fees we're talking the \$1.00.

Ms. Stanley stated the transaction fees used to be 36% so for a \$1.00 transaction the fee was \$.36 cents...now it's \$.22 cents.

Alderman Gatsas stated on a \$.84 cent transaction.

Ms. Stanley stated on a \$1.00 transaction...you have to take it as a total of revenue becomes sometimes transactions are \$.25 cents, some are \$1.00...the fee is based on a fixed transaction cost which is anywhere depending on the interchange level from \$.14 cents to \$.35 cents...you have to blend it all to figure out what your average percentage of your revenue is...it's the only way to do it.

Alderman Gatsas stated but it's 22% if you're telling me the average is 22% on an \$.84 cent item it's much higher than 36%.

Ms. Stanley stated no. If you take the entire credit card revenue...22% of that number is what we pay in credit card fees. So for a \$1.00 transaction it would be on the average of about \$.22 cents. For an \$.84 cent transaction it would be...take 20% off of that, it would be \$.17 cents.

Alderman Gatsas stated right but what was your initial estimate of the amount of cash that was going to be used versus credit card.

Ms. Stanley stated my original estimate was 40%. We started off at 20 and now we're up to about 25% of credit card revenues so we're still lower than what I anticipated as a percentage of overall revenue but I do expect that 25% to keep growing.

Alderman O'Neil asked Brandy are you comfortable in your response that if all of this gets worked out you should be able to meet the Mayor's objective of \$1.8 million to the general fund.

Ms. Stanley replied yes.

Alderman O'Neil stated just a point of reference...a CIP item but while you're here...I note that there is money for additional Pay & Display equipment in the CIP budget.

Ms. Stanley stated yes.

Alderman O'Neil stated I would just suggest to my colleagues that we don't get caught in the same issue as last year that was in the budget so that's okay to go out and spend...I want to make the point that I hope we have a discussion about where they're going. I think generally speaking they've been well-received but the Board needs to have discussion about that and

this wasn't Brandy's issue but I don't want to hear it was in the budget so it was okay to spend. Thank you.

Mayor Guinta stated message received.

Alderman Roy stated Brandy you're \$1.8 million is scheduled to go into the budget in the Finance Department under Trust funds...has any money been given back so far this year?

Ms. Stanley replied I don't know the answer to that. I don't know when it's scheduled to be transferred to the general fund. I don't know if it's done on a monthly basis that would be a question for...

Alderman Roy stated if we could get a report out of Finance on the budgeted amount is \$2.275 million, over \$2 million so if we could get a report as to when and if that number is going to meet its mark.

Ms. Stanley interjected it will not.

Alderman Roy stated let's get a report first. If you say no we're going to get into a long conversation.

Alderman Shea asked Brandy how does the revenues coming in compare with the revenues prior to the changes that were made. In other words are we losing money with the new parking situation, are we making money in the community, what's happening?

Ms. Stanley replied actually the projected revenue less the \$1 million that was put into the enterprise fund for the parking meters is \$4.6 million. For fiscal year '08 we're anticipating \$5.7 million...so we've got a \$1.1 million increase in revenues from last year over to this coming year.

Alderman Gatsas asked can you go a little deeper into where Alderman Roy was going...you said the \$2 million wasn't going to be there.

Ms. Stanley stated the revenue projections for this fiscal year were unrealistic is the crux of the matter.

Alderman Gatsas asked how short?

Ms. Stanley stated we're projecting a net profit for the organization of \$826,000 if you subtract the \$1 million that the organization got back from the money that was seeded for the commuters.

Mayor Guinta stated it was \$1.8 and it came back to \$1.

Ms. Stanley stated yes.

Alderman Roy stated we have budgeted \$2.275 million.

Ms. Stanley stated yes.

Alderman Gatsas asked where did the one time money come from, the one time account?

Mr. MacKenzie replied yes...the million dollars originally.

Mayor Guinta stated from the Economic Development fund right.

Mr. MacKenzie stated the one time.

Alderman Gatsas stated so there's nothing that says we have to take it all this year. We as a Board can say give us half and take the other half next year.

Mayor Guinta asked half of what?

Alderman Gatsas replied half of the million because she said there's \$1.8.

Alderman Roy stated revenue...general fund side.

Alderman Lopez stated last year they had over \$4.2.

Alderman Gatsas stated somebody needs to check that because you're paying back debt and they count it as revenue...are we getting the debt back.

Mayor Guinta stated that's because it's charged to the Parking Enterprise correct because we changed it to an enterprise so that's why it's been charged to that but the money has already been expended.

Alderman Gatsas stated so we could get you \$2.3 if they only paid back \$500,000 this year and \$500,000 next year...so I don't even care if they took \$250,000 a year...that generates more revenue I think doesn't it.

Mayor Guinta stated you'll get the report...we'll get it clarified.

Alderman Duval in reference to Saturday parking...did I miss it or is that part of your revenue projected.

Ms. Stanley stated it is not. I did not put anything in the revenue budget that was not already approved. If we do decide to do Saturday parking that would be additional revenue over what I'm budgeting.

Alderman Duval asked have you formulated a recommendation or opinion to this Board with regard to Saturday parking?

Ms. Stanley replied I am working on it but not at this time.

Alderman Duval stated looking forward to it because I think we ought to institute it for this year.

Alderman O'Neil stated we've been there, done that. We implemented it and we got rid of it as quick as we implemented it so I prefer not wasting energy on it to be honest with you.

Alderman Duval stated I wasn't part of that discussion, Alderman O'Neil, but I can tell you that businesses downtown...I mean Alderman Long just whispered in my ear and let me tell you it wasn't romance. He just whispered in my ear that there's something like 50 split in downtown merchants as to whether they favor.

Alderman O'Neil stated it's probably the same ones that screamed when it was implemented the last time.

Alderman Duval stated there is a necessity to turn over parking spaces downtown that's got to benefit the downtown merchants and I think you ought to take a hard look at it.

Alderman O'Neil stated a long, hard look at it.

Mayor Guinta stated it's going to be looked at for a long time. Any other comments, there were none. Thank you.

Information Systems

Alderman O'Neil stated they were complimented by many of their peers in City government earlier with their help and support.

Ms. Jennie Angell, Acting Information Services Director, stated first I'd like to apologize if there was some confusion I did send out an e-mail and I asked the City Clerk's to pass out a correction...there also was some confusion on the salary and what was funded in the Mayor's budget and some of the funding that was...the way our budget was given to us by the Mayor funding was put in and taken out of different divisions so between that and the 4%

we had some confusion but after watching last night's meeting and the Mayor saying that he was sure he had funded the Web administrator...I went back and we went through all the numbers again and this is what we found based on what we're looking at it looks like the Web administrator is funded...I thank you, Mayor. What we also believe is we have a shortfall of \$5,000 for the Application Developer because when we put these numbers together we thought he was going to be paid at one step ultimately when we hired him it was two steps higher. The health benefits for an employee who is on active duty we don't believe was funded...the intern program that I had started this year that I had put in under salary additions that I requested \$4,000 for also was not funded. This interim program has been very cost-effective and I was hoping to be able to do it every year and we've only been able to do interns in the past when we had a turnover and so it would be helpful for us to be able to absolutely put it in the budget. The Data telecommunications position was authorized this year but it's currently vacant is not funded in this budget. We currently have three Data telecommunications positions approved one of them is the vacant position that was not funded. I have a second Data telecommunications person who is working in that capacity. There was a third Data telecommunications person in our office but she is currently doing a lot of my old duties because when I took over as Acting department head I didn't have time to do both jobs so at this point I really only have about 1.5 Data telecommunications people doing that job and there is no division head or department head in this budget. Our line items we believe are fairly adequately funded. They are in the wrong divisions and in the wrong specific line items...we don't know what happened with the translation with the Mayor's budget but when we added up the groups and summarized it we just reallocate some of the numbers and it works. We had requested, however, \$30,000 in data processing that was not funded. This money is generally used for efficiency improvement software that becomes available to help departments. The technology money that's proposed we'll make it go as far as we can. We generally augment that money with other funds with grants and we've been able to make that little funding work. So, with that just some comments I would like to make. We have a very solid IT infrastructure in the City. In 2003 we won a digital cities award, in 2006 our web site was rated along with 11,000 other government web sites for cities our size...Manchester's web site was rated at number 23 out of the 11,000. However, we do have a very long list of projects and that list of projects is getting longer. And just to give you a little history. In 2006 we had 19 positions in this department, this year we have 16 positions. In 2008 we requested funding for 16 positions but of those 16 one of the positions the person is on active duty...we really don't expect him back next year so that would really leave us with 15 so we've gone from 19 to 15 and the Mayor is recommending 14...not the 13 I put on my list to you but 14. As I said we have a very long list of projects and this funding reflects 89% of this year's budget and 82% of 2006...that's a substantial decrease. We are very thinly staffed and what I'd like to say we have solid skills, we can handle the work that's coming in but we feel like we are kind of in a house of cards. If the wrong person is out when there's a problem there could be a delay in resolving the issue and this fall the new computerized dispatch system is going to go on-line and that is going to add additional pressure to our staff. What we had requested from the Mayor was

level funding 100%...that's what we would really like if that would be possible but whatever you and the Mayor decide we will do our best to move forward on projects and provide the highest level of service we can. Any questions?

Alderman O'Neil stated Jennie on communication I'm not sure the date on it but at the top you talk about the number of funded positions. You talk about the positions in order or need and you talk about the person that's on military leave, you believe there's a good chance that he will not be back as a City employee or his tour is going to be extended.

Ms. Angell stated his tour might be extended.

Alderman O'Neil asked at the earliest when would he be back.

Ms. Angell replied September. In our original budget request we funded him for 10 months.

Alderman O'Neil asked your Honor would you agree if he came back we'd have to hit salary adjustment for that?

Mayor Guinta replied possibly yes.

Alderman O'Neil asked if he comes back does he have a job or not?

Mayor Guinta replied of course he has a job.

Alderman O'Neil stated if the money isn't there for him.

Mayor Guinta stated it depends on when he comes back and what the overall attrition rate is for the entire City...by law he's got a job I believe.

Alderman O'Neil stated I want to make sure of that. The second position is no longer an issue correct.

Ms. Angell stated no longer an issue correct.

Alderman O'Neil stated so then it goes to the fund the intern program at \$4,000 correct.

Ms. Angell stated that's been a very big value...\$4,000 is pretty cheap money.

Alderman O'Neil stated you said that...I want to make sure I'm clear...you have 15 plus the 15 is the person on military.

Ms. Angell stated no. The Mayor's budget has 14...not counting the intern because that's not a position; it's just \$4,000. What we had requested was the addition of the Data telecommunications position...that is a position that was funded this year, right now it's vacant.

Alderman O'Neil stated so that is not in the Mayor's number. What is the second position that is not in the Mayor's number.

Ms. Angell stated originally I thought it was the Web administrator but the Web administrator is in here correct, Sir.

Mayor Guinta replied yes.

Alderman O'Neil stated you've got Mayor's recommendation 14 and your request was 16.

Ms. Angell stated 16 right but then if you look at the asterisk under that's including the partial year for the employee who is on military leave.

Alderman O'Neil stated the difference between the 16 and the 19 one is the director what are the other two positions.

Ms. Angell stated one is the director, the administrative assistant position was eliminated and then the data telecommunications position is not funded right now and we also...

Alderman O'Neil asked are there two data telecommunications positions?

Ms. Angell stated we also have an applications developer that was not funded this year.

Alderman Lopez stated I just have one question on the person on military duty...are we paying for his medical?

Ms. Angell replied yes.

Alderman Lopez asked is that in the budget?

Ms. Angell replied I do not believe so.

Alderman Lopez stated isn't that an obligation we have from the HR Director that we pay military health.

Ms. Lamberton stated the Board voted when the war first started that if the individual is activated and had a family plan we would pay the full boat. If they were single we wouldn't because their medical would be taken care of by the military.

Alderman Lopez stated I think we'll have to take a good serious look at that, your Honor, because that was a vote by the Board that all people on military duty that we'd pay for the health insurance and not deny them that right.

Ms. Angell stated as I said I think it's not included but as we've heard today there's been some changes in some of those numbers...when I add it up I'm not seeing it but it's something that we can...

Alderman Lopez interjected let's make sure.

Ms. Angell stated we also have a meeting with the Mayor on Friday.

Alderman Roy asked how soon would GIS be public, just a date?

Ms. Angell replied public GIS right now it's kind of one of those projects that...for those Aldermen that have been part of or have seen some of the Committee on Administration/Information Services...they've seen the long list of projects that we have on our plate and they are continuing to get longer and that is one of those as time allows projects because the CAD project is driven by...that's a major project and the thinness of staff has really impacted our ability to...we are moving forward but it's just so very slowly.

Mayor Guinta asked any further questions, there were none.

Alderman O'Neil asked clarification...where is the CIP budget it's not at CIP Committee it's at the full Board.

Mayor Guinta stated there is a CIP Committee meeting on Thursday and then it's finalized in Committee.

Alderman O'Neil stated no it can't unless the full Board sends it back to Committee.

Alderman Lopez stated they're going to bring in all their changes and just amend the CIP.

Mayor Guinta stated so those changes I assume recommended...the Thursday meeting is going to amend the changes and then the recommendation comes to the full Board for review.

Alderman O'Neil stated the Committee can't legally do anything.

Mayor Guinta stated all they can do is make recommendations.

Alderman Lopez stated if the Committee wants to meet and recommend to the full Board on whatever day it is.

Alderman Gatsas stated the full Board has to see it before it goes to public hearing.

Mayor Guinta stated you have the CIP right here so it's not that we haven't seen it. It was part of my original proposal. Does it have to be Mr. Solicitor?

Deputy City Solicitor Arnold stated my understanding is that it is now at the full Board level.

Alderman Roy stated didn't we have this discussion earlier about postponing the public hearing.

Mayor Guinta stated it's already been set. We need a 7-day notice...that's already out there. So you're looking at potential changes...they can meet anytime they want. But, again, we'll see it on Tuesday.

Alderman O'Neil stated the Mayor's recommended CIP goes to the public hearing.

Mayor Guinta stated of course it does.

Alderman Lopez stated I don't think there's any major problem.

Alderman O'Neil stated I never gave much thought that it's at the full Board level and not at the Committee level.

This being a special meeting of the Board, no further business was presented and on motion of Alderman O'Neil, duly seconded by Alderman Pinard, it was voted to adjourn

A True Record. Attest.

City Clerk